

STATE FISCAL ACCOUNTABILITY AUTHORITY
Meeting of Tuesday, August 27, 2024– 2:00 P.M.
Room 252, Edgar A. Brown Building

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6.	Department of Administration, Facilities Management and Property Services	Easements
7.	Department of Administration, Facilities Management and Property Services	South Carolina Department of Administration Lease at 1628 Browning Road in Columbia
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STATE FISCAL ACCOUNTABILITY AUTHORITY
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REGULAR SESSION AGENDA INDEX -- Page 2

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
9.	Department of Administration, Facilities Management and Property Services and Executive Budget Office	Midlands Technical College Acquisition of ±4.56 acres of land and a 40,992 square foot building and subsequent Lease Out to the SC State Board for Technical and Comprehensive Education
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11.	Department of Administration, Facilities Management and Property Services	Real Property Conveyances
12.	Division of Procurement Services	South Carolina Department of Transportation (SCDOT) – Approval of Contract Duration
13.	Division of Procurement Services	South Carolina Educational Television (SCETV) – Procurement Exemption
14.	Clemson University	N/E \$31,000,000 of Athletic Facilities Revenue Bonds of Clemson University
15.	Clemson University	N/E \$51,000,000 of General Obligation State Institution Bonds (Issued on Behalf of Clemson University) of the State of South Carolina
16.	Executive Director	Revenue Bonds (State Housing Finance and Development)
17.	Executive Director	South Carolina State Ceiling Allocation Plan - 2025
18.	State Fiscal Accountability Authority	Future Meeting

MEETING OF August 27, 2024

ITEM NUMBER 1, Page 1AGENCY: State Treasurer's OfficeSUBJECT: Bond Counsel Selection**CONDUIT/OTHER ISSUES:**

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$95,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Health Care Facilities Revenue Bonds, Series 2024; South of Broad Healthcare	South of Broad Healthcare Conduit: SCJEDA	Haynsworth Sinkler Boyd – Kathy McKinney and Suyash Raiborde	Howell Linkous & Nettles – Sam Howell, Alan Linkous	6/19/2024
\$18,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Economic Development Revenue Bonds, Series 2024; W.O.G. Community Development Corporation	W.O.G. Community Development Corporation Conduit: SCJEDA	Burr Forman - Michael Seezen and Assatta Williams	Haynsworth Sinkler Boyd – Kathy McKinney and Suyash Raiborde	7/17/2024
\$11,000,000; South Carolina State Housing Authority ("SCSHFDA") Multifamily Housing Revenue Bonds; Poplar Square; Series 2024	DGA Poplar Square LP (Poplar Square) 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)	7/25/2024
\$17,000,000; South Carolina State Housing Authority ("SCSHFDA") Multifamily Housing Revenue Bonds; Lowline Housing; Series 2024	Lowline Housing, LP (Lowline Housing) 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)	7/25/2024
\$26,000,000; South Carolina State Housing Authority ("SCSHFDA") Multifamily Housing Revenue Bonds; Avery Landing; Series 2024	Greenville Leased Housing Associates, LLLP (Avery Landing) 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)	7/25/2024

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

GENERAL OBLIGATION / REVENUE ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$31,000,000; Clemson University, South Carolina Athletic Facilities Revenue Bonds; Series 2024; Jervey II	Clemson University	Pope Flynn Group – Gary Pope	Issuer's Counsel to Clemson University - Chip Hood (General Counsel)	7/22/2024
\$51,000,000; State of South Carolina General Obligation State Institution Bonds (Issued on Behalf Clemson University), Series 2024; New School of Veterinary Medicine	State of South Carolina (on behalf of Clemson University)	Pope Flynn Group – Gary Pope	South Carolina Attorney General	7/22/2024

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 August 27, 2024 meeting:**

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\$95,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Health Care Facilities Revenue Bonds, Series 2024; South of Broad Healthcare	South of Broad Healthcare Conduit: SCJEDA	Haynsworth Sinkler Boyd – Kathy McKinney and Suyash Raiborde	Howell Linkous & Nettles – Sam Howell, Alan Linkous	6/19/2024
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\$51,000,000; State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2024; New School of Veterinary Medicine	State of South Carolina (on behalf of Clemson University)	Pope Flynn Group – Gary Pope	South Carolina Attorney General	7/22/2024

AGENCY: Secretary of State

SUBJECT: Notice of Expenditure of Funds

Pursuant to S.C. Code Ann. Section 1-11-470, Secretary of State Mark Hammond has advised the Authority that he will be expending funds to purchase radio and television public service announcements. The radio and television announcements will be used for a public awareness campaign on charitable solicitations fraud. Secretary Hammond requests approval to spend \$60,000 for radio and television public service announcements that will begin in late Fall of 2024. The funds are from administrative fees and fines issued by the Secretary of State pursuant to the Solicitation of Charitable Funds Act, Code Section 33-56-160. Approval of the request must be by unanimous vote of the Authority.

Last year, the Authority approved Secretary Hammond's request for the expenditure of \$60,000 for public service announcements at its August 29, 2023, meeting. The exact amount spent for last year's campaign was \$59,999.01.

AUTHORITY ACTION REQUESTED:

Approve a request from Secretary of State Mark Hammond to use funds to purchase radio and television public service announcements not to exceed \$60,000 for a public awareness campaign on charitable solicitations fraud. The Authority must approve the request to use the funds for such purposes by unanimous vote.

ATTACHMENTS:

Dunlap 6/28/24 letter; Code Sections 1-11-470 and 33-56-160

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

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

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

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

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

SECTION 33-56-160. Administrative fines and fees; disposition.

(A) The first two hundred thousand dollars in administrative fine revenue received pursuant to this chapter in a fiscal year, not including fine revenues collected pursuant to Section 33-56-75, may be retained by the Secretary of State to offset the expenses of enforcing this chapter. All administrative fines collected pursuant to this chapter in excess of two hundred thousand dollars in a fiscal year, not including fine revenues collected pursuant to Section 33-56-75, must be transmitted to the State Treasurer and deposited in the state general fund. All fees collected pursuant to this chapter must be transmitted to the State Treasurer and deposited in a fund separate and distinct from the state general fund and used by the Secretary of State for the purpose of administering the provisions of this chapter.

(B) All administrative fines collected pursuant to Section 33-56-75 in a fiscal year must be transmitted to the State Treasurer and deposited in a fund separate and distinct from the state general fund. The revenue collected from these fines must be directed to the Secretary of State for the purpose of administering the provisions of that section.

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

1205 PENDLETON STREET, SUITE 525
COLUMBIA, SC 29201

803-734-2170
sos.sc.gov



June 28, 2024

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

RE: Secretary of State's Request for Approval of Wise Charitable Giving Public
Service Announcement

Dear Mr. Singleton:

Secretary Hammond is requesting to appear before the State Fiscal Accountability Authority on August 27, 2024, for approval to use funds for radio and television public service announcements. As you are aware, Secretary Hammond is the administrator of the Solicitation of Charitable Funds Act, and therefore he is responsible for protecting charitable donors from unscrupulous charities and professional fundraisers. Pursuant to S.C. Code §1-11-470, a constitutional officer must receive the approval from the Authority to expend appropriated funds to purchase radio or television space with unanimous approval of the Authority.

Pursuant to S.C. Code §33-56-160, all fees collected under the Solicitation of Charitable Funds Act, and all fine revenue up to \$200,000 collected from enforcement of the Act, must be transmitted to the State Treasurer. These funds must be deposited in a fund separate and distinct from the state general fund and are to be used by the Secretary of State for the purpose of administering the Act. Secretary Hammond requests to appear before the Authority for approval out of a desire for transparency.

The 2023 public service announcement provided information to the public on our new mobile phone app, Give Smart SC. Our Give Smart SC app provides immediate access to information on charitable organizations to confirm that the charity is registered with the Secretary of State's Office, and provides the ability to review its most recent financial report.

Mr. Delbert Singleton

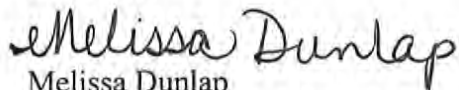
June 28, 2024

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For the Give Smart 2023 public service announcement, the Secretary of State's Office spent \$59,999.01 out of the \$60,000 approved in 2023. Secretary Hammond is requesting approval to spend \$60,000 for the public service announcement that would begin in late Fall 2024. I would appreciate it if you would place this item on the agenda for the SFAA's August 27, 2024, meeting.

Please contact me at (803) 734-2157 or mdunlap@sos.sc.gov if you have any questions about this request. Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in cursive script that reads "Melissa Dunlap".

Melissa Dunlap

Deputy Secretary of State & Chief Legal Counsel

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: The Citadel
 H09.9626: Krause School of Leadership and Ethics Reno/Addition
- Request: Change Project Name, Change Source of Funds, Revise Scope and Establish Phase II Full Construction Budget to construct an addition and to renovate 201, 202 and 203 Richardson Avenue.
- Included in CPIP: Yes – 2024 CPIP Priority 3 of 3 in FY25 (estimated at \$3,753,270)
 Phase I Approved: December 2023 (estimated at \$3,600,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Gifts	108,000		108,000	2,855,557	2,963,557
Other, Leadership Lab Fee				400,695	400,695
Other, TCF-Faculty Excellence				115,854	115,854
Other, Rollover-Provost				80,000	80,000
Other, Annual Asset Management				104,453	104,453
Other, Institutional Capital Project				88,711	88,711
All Sources	<u>108,000</u>		<u>108,000</u>	<u>3,645,270</u>	<u>3,753,270</u>

Summary of Work: The project will renovate units 201, 202 and 203, which total 6,791 gross square feet in the two-story building which is used for office space. A single story

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

approximately 2,270 gross square foot addition will also be constructed at the front/north side of the units. A new accessible ramp and restrooms will be added to the units. The HVAC system and electrical system will be replaced. The exterior finish of the addition will be stuccoed to match the existing units. It will have hurricane-rated windows and a low-slope roof. The roof to be installed on the addition will be a Modified Bitumen Roofing system that will come with a 25 material and workmanship warranty.

Rationale:

This project establishes the home for the School of Leadership and Ethics. The collective vision is to be the pre-eminent School of Leadership and Ethics. This renovation and addition will further the goal by transforming the interior into an open, contemporary space for faculty, staff, and students, that is set apart from its former use as housing. Most of this building remains in its original condition. There have been minor upgrades to the first-floor areas to accommodate faculty and staff occupancy. This renovation and addition will expand the faculty and staff areas, as well as student interaction spaces. There is currently no handicapped assessable entrance or accessible restrooms in these units. The HVAC system is still in operation but is in poor condition. The old residential electrical system is at maximum capacity and needs to be replaced and expanded. The renovation and addition to Richardson Avenue facilitates the creation of a new School of Leadership and Ethics.

Facility Characteristics: 201-204 Richardson Avenue totals 9,692 gross square feet and was constructed in 1936 (88 years old). It is a two-story building comprised of four units. Three of the four units, 201, 202 and 203, totaling 6,791 gross square feet will be renovated in this project. The building was originally constructed to serve as faculty housing but is currently used as office space. A single-story, approximately 2,270 gross square foot addition will also be constructed. The facility will house the administration and some specialty teaching spaces that support approximately 520 undergraduate and graduate students, and approximately 21 faculty and staff.

Financial Impact:

This phase of the project will be funded from Other, Gifts (uncommitted balance \$2.85 million at June 6, 2024), Other, Leadership Lab Fees (uncommitted balance \$401K at June 5, 2024), Other, TCF-Faculty Excellence (uncommitted balance \$444K at June 5, 2024), Other, Rollover-Provost (uncommitted balance \$425K at June 5, 2024), Other, Annual Asset Management (uncommitted balance \$105K at June 5, 2024), and Other, Institutional Capital Project Funds (uncommitted balance \$9.0 million at June 5, 2024). The Leadership Laboratory Fee is received from dedicated charges of \$1,208 per freshman cadet and \$1,040 per upperclassman cadet annually. The TCF-Faculty Excellence Funds is money granted by The Citadel Foundation on an annual basis. The Rollover-Provost Fund is money granted by The Citadel Foundation on an annual basis. The

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Annual Asset Management Fund is money utilized for annual maintenance of The Citadel which is funded by appropriation funds and or institutional capital project funds. The Institutional Capital Project Fund is all excess debt service fund transferred to the Institutional Capital Project Fund as of June 30th each year. The project is expected to result in an increase of \$4,530 (year 1), \$4,760 (year 2), and \$5,000 (year 3), 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: \$3,753,270 funded by Gifts, Leadership Lab Fees, TCF-Faculty Excellence, Rollover-Provost, Annual Asset Management, and Institutional Capital Project Funds. Contract execution is expected in August 2025 and completion of construction in October 2026.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (b) Project: JBRC Separate Item: Clemson University
H12.9965: College of Veterinary Medicine Construction
- Request: Establish Phase II Full Construction Budget to construct a teaching complex, research laboratories and clinical spaces.
- Phase I Approval: March 2023 (estimated at \$285,000,000) (SFAA)
Partial Phase II Approval: April 2024 (estimated at \$285,000,000) (JBRC)
- Included in CPIP: Yes – 2024 CPIP Priority 1 of 9 in FY25 (estimated at \$270,000,000)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Institution Bonds				50,000,000	50,000,000
FY25 Capital Reserve (5) (College of Veterinary Medicine)		75,000,000	75,000,000	47,000,000	47,000,000
FY24 Appropriated State, Proviso 118.19 (B)(10)(a), (College of Veterinary Medicine)		10,000,000	10,000,000		10,000,000
Appropriated State, Operating (FY23 Proviso 14.1), (College of Veterinary Medicine)				78,000,000	78,000,000
FY25 Appropriated State, Proviso 118.20 (B)(9)	10,000,000		10,000,000		10,000,000
Other, FY23 Lottery Expenditure Account					

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

All Sources	<u>10,000,000</u>	<u>85,000,000</u>	<u>95,000,000</u>	<u>175,000,000</u>	<u>270,000,000</u>
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Summary of Work: The university completed a comprehensive feasibility study to develop a detailed implementation and program plan. This project will utilize this study to conduct site selection and engage architectural/engineering firms and a Construction Manager at Risk to provide schematic design of the facilities. The facilities will include, but not be limited to, a teaching complex, research laboratories and clinical spaces. Clemson will construct the main teaching building and labs but will partner with private clinics for clinical experiences. A partial Phase II request was previously approved to continue with design work and award early construction packages. This increase will allow construction to continue.

Rationale: South Carolina currently does not have a College of Veterinary Medicine, and only four states have fewer veterinarians per capita. There is a rapid growth in national demand for services and investment in animal health. Further, research done at veterinary colleges is increasingly important for protecting human public health. Currently, SC contracts to fund the difference between residential and non-residential tuition for SC veterinary students in cooperating states. Clemson's distributed model for clinical learning will leverage existing assets in the state through partnerships with industry and clinical enterprises.

Facility Characteristics: The new facility to be constructed will be approximately 233,000 square feet. Based on current analysis per the university, SC can justify a class size of 80 students that may grow to 100 or more in the future. Once the College of Veterinary Medicine is constructed, it is expected to be utilized by approximately 292 students and student employees, 50 faculty, and 82 staff.

Financial Impact: This increase will be funded from Institution Bonds (\$50 million to be issued), FY25 Capital Reserve (uncommitted balance \$47 million at July 16, 2024), and FY25 Appropriated State (nonrecurring) Funds (uncommitted balance \$78 million at July 16, 2024). The project is expected to result in an increase of \$1,640,724 (year 1), \$1,689,946 (year 2), and \$1,740,644 (year 3), in annual operating expenditures. The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$5,710,000 over 30 years. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has not increased for the years 2020-2021 to 2024-2025. \$380 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Full Project Estimate: \$270,000,000 funded from Institution Bonds, Capital Reserve, Appropriated State (nonrecurring), Appropriated State (operating), and Lottery Expenditure Account Funds. Completion of construction is anticipated in June 2026.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (c) Project: JBRC Separate Item: Clemson University
H12.9968: Jervey Athletic Center Renovations and Performance & Wellness Center Addition
- Request: Change Source of Funds to remove Athletic Gifts and Donations and add Athletic Revenue Bond Funds to construct an addition to and renovate a portion of the Jervey Center.
- Included in CPIP: No – Change Source of Funds requests are not required to be included in the CPIP submission.
- Phase I Approval: May 2023 (estimated at \$50,000,000) (SFAA)
- Phase II Approval: October 2023 (estimated at \$50,000,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Athletic Revenue Bonds		20,000,000	20,000,000	30,000,000	50,000,000
Other, Athletic Gifts & Donations	750,000	29,250,000	30,000,000	(30,000,000)	
All Sources	<u>750,000</u>	<u>49,250,000</u>	<u>50,000,000</u>		<u>50,000,000</u>

Summary of Work: The project will construct an approximately 50,600 square foot addition and renovate approximately 18,850 square feet within the existing Athletic Center, including improvements for the volleyball and track and field programs. The facility improvements will include updated locker rooms for officials, Clemson and visiting teams, including showers, nutrition, bistro, lounge, and film room spaces. Modernization of restrooms, concessions, seating and playing areas, raising the roof above the playing court, and additional equipment will also be included. The existing 1.5” metal deck roof on the Jervey Athletic Center will be replaced with a tapered polyisocyanurate insulation system on metal deck with a TPO roofing membrane. The roof to be installed on the new Performance and Wellness Center addition will also be a tapered polyisocyanurate insulation system on metal deck with a TPO roofing membrane. The new roofs will come with a 20-year material and workmanship warranty.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Rationale: With the addition of Women's Gymnastics and Women's Lacrosse, additional square footage is needed beyond the capacity of existing Performance and Wellness facilities. The existing facility needs significant improvements and modernization of all lower-level areas, per the university. The renovation and addition were determined to be more cost effective than the alternative of replacing the facility with all new construction.

Facility Characteristics: The existing facility is 85,000 square feet and was constructed in 1972 (51 years old). Approximately 18,180 square feet of the facility will be renovated in this project. The addition to be constructed will be approximately 50,600 square feet. The facility currently provides services for all Clemson student-athletes but serves as the primary home of Women's Volleyball and Men's and Women's Track and Field. In addition, it provides locker rooms for visiting volleyball teams, baseball teams, and officials/umpires. The improvements to the Jervey Performance and Wellness Center will be utilized by approximately 400 students and 45 staff.

Financial Impact: The project will be funded from Athletic Revenue Bonds (to be issued). The project is expected to result in an increase of \$328,900 (year 1), \$338,767 (year 2), and \$348,930 (year 3) in annual operating expenditures. The addition will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$749,196 over a 30-year period. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has not increased for the years 2020-2021 to 2024-2025. \$380 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$50,000,000 funded by Athletic Revenue Bonds. Contract execution is expected in November 2023 and completion of construction in March 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(d) Project: JBRC Item 2: South Carolina State University (PSA)
H24.9665: SC State PSA Research & Extension Center (Bamberg County)

Request: Establish Phase II Full Construction Budget to construct a new Research & Extension Center in Bamberg County.

Included in CPIP: Yes – 2024 CPIP Priority 1 of 5 in FY26 (estimated at \$2,000,000)
Phase I Approval: January 2024 (estimated at \$5,000,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USDA Evans Allen Grant	75,000		75,000	11,564,128	11,639,128
All Sources	<u>75,000</u>		<u>75,000</u>	<u>11,564,128</u>	<u>11,639,128</u>

Summary of Work: The project will construct an Education Building, Research Building and two small Residential Buildings. Separate facilities are being constructed to create a mini “campus” feel. This is intended to enhance the functionality of the research center by creating courtyard spaces between buildings that can serve as sample farms or outdoor teaching areas. This also allows for flexibility to zone the heating and cooling requirements of the campus. The separation of the residential component also adds a psychological benefit to visiting scholars as they can leave the building and have an enhanced level of privacy and autonomy outside of work hours. The roof to be installed on the new buildings will be a sloped gable roof and will come with the minimum 20-year material and workmanship warranty.

Rationale: The facility is needed to provide administrative, programmatic and research areas for existing and future staff as well as volunteers to fulfill the Land Grant mission of providing research, teaching and extension programs to the citizenry of South Carolina. Additionally, the facility will offer staff, professors, researchers and volunteers the opportunity to engage the community in enhancing economic development and lifelong learning opportunities for the community, youth, families and businesses.

Facility Characteristics: The Education Building will be 10,519 square feet. The Research Building will be 11,422 square feet. The two Residential Buildings will be 550 square foot each. The total campus area to be constructed is 23,041 square feet. The facility

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

will be utilized by 16 students, 8 to 10 faculty/researchers, 6 staff, and approximately 4,500 to 5,200 clients for SC State Public Service Activities.

Financial Impact: The project will be funded from Federal, USDA Evans Allen Grant Funds (uncommitted balance \$13.6 million at June 19, 2024). The Grant funds are previously approved USDA funds. The project is expected to result in an increase of \$191,037 (years 1 thru 3), in annual operating expenditures. The building will be construction to meet Two Green Globes certification standards with anticipated energy savings of \$278,862 over a 30-year period.

Full Project Estimate: \$11,639,128 funded by USDA Evans Allen Grant Funds. Contract execution is expected in May 2025 and completion of construction in August 2026. The estimated cost to complete the project has increased from the Phase I amount because the estimate was provided at a schematic level, and it did not consider site specific project requirements. Additionally, the original estimate did not account for professional design fees or fees associated with Green Globes registration and submittals.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(e) Project: JBRC Item 3: Medical University of South Carolina
H51.9854: College of Health Professions President Street Academic Building

Request: Increase Phase II Full Construction Budget and Revise Scope to upfit the top two floors of the building and to add a new sanitary sewer pumping station to the building.

Included in CPIP: Yes – 2024 CPIP Priority 1 of 6 in FY25 (estimated at \$79,933,236)
Phase I Approval: December 2021 (estimated at \$40,000,000) (SFAA)
Phase II Approval: November 2022 (estimated at \$50,000,000) (SFAA)
Phase II Increase Approval: June 2023 (estimated at \$70,000,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
State Institution Bonds		45,000,000	45,000,000		45,000,000
Federal, NIH Grant	600,000	4,400,000	5,000,000	7,453,067	7,453,067
Other, Institutional Capital Reserves		20,000,000	20,000,000	409,929	20,409,929
Other, CHP Clinical Reserves				2,070,240	2,070,240
Other, Capital Renewal					
All Sources	<u>600,000</u>	<u>69,400,000</u>	<u>70,000,000</u>	<u>9,933,236</u>	<u>79,933,236</u>

Summary of Work: The project was established to construct an approximately 94,000 gross square foot building north of the Bioengineering building on President Street. It will include 5,000 square feet of research space, teaching lab and multipurpose classroom spaces and a minimum of an additional 30 faculty and staff office and support space. The bottom four floors will be finished for immediate occupancy, the top two floors will be shell space for future College of Health Professions expansion. The roof to be installed will be a two-ply modified bitumen roof

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membrane system with a cover board and polyisocyanurate insulation over metal roof deck. The roof will come with a minimum 20-year material and workmanship warranty. The revised project scope will upfit the top two floors of the building and add the addition of a new sanitary sewer pumping station.

Rationale: The new facility is needed to support growth of the various academic programs within the College of Health Professions. Additionally, MUSC was awarded a federal grant to construct a Clinical Research Center for Restoration of Neural-based Function in the Real World (RENEW CENTER) on the 5th and 6th floors of the building. During final utility approval for the building, Charleston Water System determined that the building's sanitary sewer piping could not be tied into an existing sanitary sewer previously installed. Therefore, and due to the numerous utility conflicts on President Street, construction of a new sanitary sewer pumping station is a required scope addition.

Facility Characteristics: The new facility will be 94,000 gross square feet. The 1st to 4th floors will support the Bachelor of Science in Healthcare Studies, Health Administration (Master's and Doctorate), Health Informatics, Doctor of Philosophy in Health and Rehabilitation Science, Cardiovascular Perfusion, Physician Assistant Studies, Anesthesia for Nurses, Speech Language Pathology, Physical Therapy, Occupational Therapy, and Genetic Counseling Program. The new RENEW Center (5th & 6th floors) will support the expansion of collaborative research in Neural Function, Physical Function, Psychosocial Function, and Innovation and Technology Clusters. The facility will be accessible to students, faculty, staff and MUSC constituents.

Financial Impact: This increase will be funded Other, National Institutes of Health Grant (uncommitted balance \$7.45 million at May 22, 2024), Other, Clinical Reserves (uncommitted balance \$20.5 million at May 22, 2024), and Other, Capital Renewal Funds (uncommitted balance \$4 million at May 22, 2024). The grant funds are received from a Federal NIH Grant. Revenue to the CHP Clinical Reserves Fund is derived from clinical revenue generated by patient services. Revenue to the Capital Renewal Fund is institution capital reserves earmarked for deferred maintenance and renewal. The project will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$675,464 over a 30-year period. The project is expected to result in an increase of \$332,000 (year 1), and \$631,000 (years 2 thru 3), in annual operating expenditures. MUSC does not charge a separate plant improvement fee to the students. No student fees or tuition will be increased as a consequence of the project.

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Full Project Estimate: \$79,933,236 funded by State Institution Bonds, National Institutes of Health Grant, Institutional Capital Project, Clinical Reserves, and Capital Renewal Funds. Construction completion is anticipated in December 2025.

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SUBJECT: Permanent Improvement Projects

(f) Project: JBRC Item 4: Aiken Technical College
H59.6250: Nursing Building Construction

Request: Establish Phase II Full Construction Budget to construct a nursing building to house the expansion of the Health Science Technologies.

Included in CPIP: Yes – 2024 CPIP Priority 1 of 2 in FY25 (estimated at \$24,228,480)
Phase I Approval: May 2023 (estimated at \$20,650,000) (Admin)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY17 Capital Reserve (21), Aiken Technical College Life Science Building	300,000		300,000	2,700,000 650,000	3,000,000 650,000
FY17 Appropriated State, Proviso 118.16 (B)(23)(f), Life Science Building				11,500,000 8,942,351	11,500,000
Other, SRS Settlement					8,942,351
Other, Local All Sources	<u>300,000</u>		<u>300,000</u>	<u>23,792,351</u>	<u>24,092,351</u>

Summary of Work: The project will construct a 36,000 square foot two story nursing building. The roof to be installed on the building will be a mechanically attached PVC thermoplastic roof membrane low slope roof system and will come with the minimum 20-year material and workmanship warranty. The building will include student commons spaces and academic areas, which include study areas throughout the first floor, five (5) private study rooms, four (4) collaborative active learning classrooms and a Computer Lab. Additionally, there will be Six (6) Simulation Suites (Obstetrics High-Fidelity, Pediatric Baby High-Fidelity, Pediatric Jr. High-Fidelity, Medical/Surgery (3), Med Pyxis and related support

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spaces), debriefing/meeting rooms, control rooms (6), staging and storage, Skills Labs (2) with nursing stations and storage and a Virtual Anatomy Lab are also included. A President's Suite will include a reception area, offices, conference/meeting rooms, workroom, kitchenette and storage. A Faculty/Dean's Suite will include reception, offices, conference room, workroom, mail/copy room, filing room, a breakroom and related support spaces.

Rationale: This building will assist the college in meeting accreditation standards and demand for the programs. Upon relocation of the nursing programs to the nursing building, the available space in the current Health Sciences building will be utilized to enhance existing programs and expand with additional offerings in the Health Sciences. The Surgical Technology program is proposing expansion to an associate degree Surgical Technology. The Medical Coding certificate is proposed to expand to a Health Information Management degree. The Radiological Technology degree proposes to add a Sonography component. A Dental Hygiene associate degree is proposed to augment the Dental Assistant diploma. New programs proposed include Pharmacy Technology, Cardiovascular Technology, BIO/Med Laboratory Technology and Dialysis Technicians.

Facility Characteristics: The nursing building to be constructed will be 36,000 square feet. The building will house the associate degree in nursing (ADN) program, the Certified Nursing Assistant (CNA) program, the Licensed Practical Nursing (LPN) program and the Emergency Medical Technician (EMT) program.

Financial Impact: This phase of the project will be funded from FY17 Capital Reserve (uncommitted balance \$2.7 million at June 24, 2024), FY17 Appropriated State (nonrecurring) (uncommitted balance \$650K at June 24, 2024), Other, SRS Settlement (uncommitted balance \$11.5M at June 24, 2024), and Other Local Funds (uncommitted balance \$14.32 million at June 24, 2024). The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$125,629 over a 30-year period. The project is expected to result in an increase of \$3,938 (year 1), and \$15,750 (years 2 thru 3), 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: \$24,092,351 funded by Capital Reserve, Appropriated State (nonrecurring), SRS Settlement and Local Funds. Contract execution is expected in September 2024 and completion of construction in December 2025.

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SUBJECT: Permanent Improvement Projects

(g) Project: JBRC Item 5: Department of Administration
D50.6157: Blatt Building – 3rd Floor VAV Replacement

Request: Establish Phase I Pre-Design Budget to replace terminal hot water reheat VAV mechanical units.

Included in CPIP: Yes – 2024 CPIP Priority 9 of 27 in FY25 (estimated at \$1,565,349)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY25 Appropriated State				23,480	23,480
All Sources				<u>23,480</u>	<u>23,480</u>

Summary of Work: The project will replace 54 terminal hot water reheat VAV mechanical units to include associated duct work. The majority of this work will be performed above the ceiling on the 3rd floor. The scope also includes replacing all light fixtures with LED light fixtures, installing a new acoustical ceiling system, and replacing the carpet.

Rationale: The equipment and ductwork is original to the building and is past its useful life, leading to periodic failures and disruption of service.

Facility Characteristics: The Blatt Building is 155,162 gross square feet and was constructed in 1978 (46 years old). The 3rd floor of the building is 27,795 gross square feet. The systems are original to the building. The building is utilized by 80 to 100 SC House of Representatives staff year-round, and from January to July each year the number increases to approximately 330.

Financial Impact: This phase of the project will be funded from FY24 Appropriated State Funds (uncommitted balance \$13.35 million at July 1, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,565,349 (internal). Phase II will be funded by Appropriated State, and Depreciation Reserve Funds.

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- (h) Project: JBRC Item 6: Department of Administration
 D50.6158: SC Data Center - Replace UPS A-Side Modules and Battery String
- Request: Establish Phase I Pre-Design Budget to replace and upgrade the uninterrupted power source.
- Included in CPIP: Yes – 2024 CPIP Priority 10 of 27 in FY25 (estimated at \$1,500,000)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other – SC Division of Technology				25,510	25,510
All Sources				<u>25,510</u>	<u>25,510</u>

Summary of Work: The project will replace and upgrade the “A Side” Uninterrupted Power Source (UPS) at the SC Data Center in Columbia.

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

Facility Characteristics: The SC Data Center is approximately 76,021 square feet and was constructed in 1999 (25 years old). The A-Side UPS Module 1 and battery string are original to the building. The building is utilized by approximately 205 SC Division of Technology (DTO) staff plus varying numbers of customers and visitors daily.

Financial Impact: The project will be funded from Other, SC Division of Technology Funds (uncommitted balance \$9.17 million at June 5, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,500,000 (internal) funded by SC Division of Technology Funds. The Phase I amount requested is 1.70% of the estimated cost to the complete the project and the additional amount will be used to cover hazardous materials testing.

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SUBJECT: Permanent Improvement Projects

(i) Project: JBRC Item 7: Department of Administration
D50.6134: DOA - Repoint and Clean Exterior Façade

Request: Establish Phase II Full Construction Budget for the repair and maintenance of the exterior veneer of the Brown Building, Calhoun Building, Dennis Building, and Wade Hampton Building.

Included in CPIP: Yes – 2024 CPIP Priority 6 of 27 in FY25 (estimated at \$3,429,344)
Phase I Approval: December 2023 (estimated at \$1,950,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	33,000		33,000	3,396,344	3,429,344
All Sources	<u>33,000</u>		<u>33,000</u>	<u>3,396,344</u>	<u>3,429,344</u>

Summary of Work: The project will include re-pointing the mortar joints, as needed, and repairing the limestone paneled veneer, as needed, and cleaning the exterior building envelope of the Brown Building, Calhoun Building, Dennis Building, and the Wade Hampton Building.

Rationale: There is evidence of mortar deterioration in the veneer, which must be addressed to prevent moisture infiltration and further deterioration of the building envelope.

Facility Characteristics: The Brown Building is approximately 156,182 square feet and was constructed in 1972 (52 years old). The Calhoun Building is approximately 97,672 square feet and was constructed in 1926 (98 years old). The Dennis Building is approximately 247,573 gross square feet and was constructed in 1950 (74 years old). The Wade Hampton Building is approximately 121,141 square feet and was constructed in 1938 (86 years old). The Brown Building is utilized by Administrative Law Clerk, Attorney General, Commission for the Blind, Department of Public Safety, Department of Administration, Judicial Branch, Medical University of South Carolina, Parks, Recreation & Tourism, Secretary of State, State Board of Financial Institutions, Procurement Review Board, Senate and Education Oversight. The building is utilized by approximately 350 employees and various visitors daily. The Dennis Building is utilized by Attorney General, Commission for the Blind, Department of Natural Resources,

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Department of Revenue and Fiscal Affairs, and Legislative Council. The building is utilized by 750 employees and visitors daily. The Calhoun Building is utilized by SC Judicial Branch. The building is utilized by 190 employees and various visitors daily. The Wade Hampton Building is utilized by Commission on Prosecution Coordination, Governor's Office, Office of State Treasurer, Office of the Comptroller General, Department of Administration, Department of Agriculture, the State Fiscal Accountability Authority, Bureau of Protective Services and Adjutant General. The building is utilized by 275 employees and various visitors daily.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$5 million on July 1, 2024). 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: \$3,429,344 funded by Depreciation Reserve Funds. Contract execution is expected in January 2025 and completion of construction in October 2025.

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- (j) Project: JBRC Item 9: Department of Administration
D50.6040: Supreme Court – Waterproof Walls and Windows and Roof Repairs
- Request: Increase Phase II Full Construction Budget and Revise Scope to replace the three sets of front lobby entrances and enhance ADA accessibility as requested by the Judicial Branch.
- Included in CPIP: Yes – 2024 CPIP Priority 26 of 27 in FY25 (estimated at \$4,263,651)
Phase II Approval: September 2019 (estimated at \$2,599,445) (Admin.)
Phase II Increase & Revise Scope: May 2022 (estimated at \$3,546,488) (SFAA)
Phase II Increase: January 2023 (estimated at \$3,900,000) (Admin)
Decrease & Transfer: June 2024 (estimated at \$3,880,000) (Admin)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY20 Capital Reserve (1), (State-Owned Building Deferred Maintenance)	2,599,445	(20,000)	2,579,445		2,579,445
FY22 Appropriated State, Proviso 118.18 (B)(67), (Facilities Management Permanent Improvements)		161,719	161,719		161,719
FY22 Appropriated State, Proviso 118.18 (B)(67), (Facilities Management Permanent Improvements)		353,512	353,512		353,512
FY22 Appropriated State, Proviso 118.18 (B)(67), (Facilities Management Permanent Improvements)				225,000	225,000
FY22 Appropriated State, Proviso 118.18 (B)(67), (Facilities Management Permanent Improvements)		112,074	112,074		112,074
FY22 Appropriated State, Proviso 118.18 (B)(67), (Facilities Management Permanent Improvements)		165,740	165,740		165,740

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(transfer from D50-6083)					
	341,987	341,987			341,987
FY25 Appropriated State					
Other, Non-Departmental (transfer from D50-6003)	165,523	165,523			165,523
Other, FY19 Judicial Capital Reserve (38), (Supreme Court Security) (transfer from D50-6008)					
Other, FY19 Judicial Capital Reserve (38), (Supreme Court Security)					
Other, SCJB Development					
All Sources	<u>2,599,445</u>	<u>1,280,555</u>	<u>3,880,000</u>	<u>225,000</u>	<u>4,105,000</u>

Summary of Work: The project was established to replace the windows at the Supreme Court building with ballistic windows to address water infiltration issues and to protect the Supreme Court Justices and staff housed in the facility. The project will also address the exterior wall and window waterproofing issues which includes: 1) Cleaning of exterior wall; 2) Tuck-pointing; 3) Limestone repairs; 4) Repair of embedded carbon steel elements in the limestone; 5) Miscellaneous removal or minor repairs to existing exterior elements. The project will also address repair needs as well as provide safety improvements at the roof of the building. The work will include repairs/modifications to the stainless-steel gutter liner that was installed in 2011-2012 as part of a new quartz zinc metal roof assembly and correct related construction deficiencies for which a settlement was received from the Surety. The work will also include installation of fall protection stations at the existing single ply membrane portion of the roof. New roof walkway protection pads will also be added at strategic locations to provide additional protection for

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the roof membrane. Minor repairs will also be done on the single-ply roof and submitted for warranty eligibility, which expired in 2021. The revised scope of work will add the replacement of three sets of front entrance assemblies, installation of ADA hardware and push button access, and the installation of access control on one set of doors for use by staff.

Rationale: The windows are original to the building, have multiple leaks, and are not energy efficient. This project will require special attention to detail and preservation methods as well as some additional coordination and review with state and municipal authorization because the building is a National Register Property and City of Columbia Historic landmark building.

Facility Characteristics: The Supreme Court Building is approximately 51,006 square feet and was constructed in 1921 (103 years old). The windows are original to the building, the metal gutters were renovated in 2011, and the single ply roof was replaced in 2006. The work will address the Supreme Court Building Envelope, which includes approximately 21,370 square feet of exterior walls, 76 windows, and the approximately 17,600 square foot roof. The building is utilized by approximately 50 Judicial Branch staff and approximately 5,800 visitors a year.

Financial Impact: This increase will be funded from FY24 Appropriated State Funds (uncommitted balance \$13.35 million at July 1, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$4,105,000 funded by Capital Reserve, Appropriated State, Non-Departmental, Judicial Capital Reserve, and SCJB Development Funds. Construction completion is anticipated in June 2026.

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(k) Project: JBRC Item 12: Office of the Adjutant General
 E24.9854: RC/FMS Parking Improvements (Annualized)

Request: Increase Phase I Pre-Design Budget to add the design of the Anderson AADMC facility in this project to demo parking areas and reconstruct parking areas at various facilities across the state.

Included in CPIP: Yes – 2024 CPIP priority 10 of 20 FY25 (estimated at \$1,992,500)
 Phase I Approval: January 2024 (estimated at \$681,000) (JBRC)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating	10,500		10,500	3,750	14,250
Federal, National Guard Bureau				3,750	3,750
All Sources	<u>10,500</u>		<u>10,500</u>	<u>7,500</u>	<u>18,000</u>

Summary of Work: This annualized project will demo what remains of the existing military (MIL) vehicle and/or Personally Owned Vehicle (POV) Parking Areas, either completely or in damaged areas, re-compact sub-grade, apply asphalt overlays and re-stripe. Additionally, additional authorized parking space to include new utilities and storm water fixtures, along with any required site work to include sidewalk removal to add ADA compliant parking spaces and ramps will be constructed. Depending on circumstances, and Readiness Center or Field Maintenance Shop where parking covers the existing potable water service line, this line maybe replaced due to the age and type of material. Work will be completed at various armories across the state with repairs occurring based on conditions. These armories are anticipated to be Fort Mill, Anderson, Camden, Field Maintenance Shop 11, Clinton, Chester, Greer, Manning, Walterboro, Andrews, West Columbia, and Moncks Corner. This phase of the project will address Fort Mill (previously approved), and Anderson.

Rationale: The paved parking areas at numerous armories are in disrepair and/or are in complete failure and cannot be utilized for assigned Military Equipment or Soldier or Public parking. Repairs and/or replacement of the parking surface will

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provide improved parking. The construction of the additional paved Organizational and/or POV Parking areas will provide the unit with an adequate area for parking its assigned Military Equipment or the additional POVs used by the Soldiers now assigned to the unit.

Facility Characteristics: After reconstruction and expansion, the Fort Mill Readiness Center motor pool space will be expanded to 2,380 square yards, and parking for privately owned vehicles will be expanded to 340 square yards. The readiness center parking is utilized by approximately 119 1222 Engineering Company staff/soldiers. After reconstruction and expansion, the Anderson Center org parking will be expanded to 9,783 square yards, and parking for non-org parking will be expanded to 6,206 square yards. The readiness center parking is utilized by approximately 223 Missile Defense and 119 Air Defense staff/soldiers.

Financial Impact: This increase will be funded from Appropriated State, Operating (uncommitted balance \$4 million at July 1, 2024), and Federal, National Guard Bureau Funds (uncommitted balance \$2.3 million at June 18, 2024). Revenue to the National Guard Bureaus Fund is identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in a decrease of \$300 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$2,052,250 (internal) for Fort Mill and Anderson, funded by Operating, and National Guard Bureau Funds. The total estimated cost to complete all 12 armories is \$9,482,250.

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(1) Project: JBRC Item 13: Office of the Adjutant General
E24.9857: SCEMD Joint Operations Center Emergency Repairs

Request: Establish Phase II Full Construction Budget for an emergency project to repair damage sustained to the Pine Ridge Armory/SC Emergency Management Division building.

Included in CPIP: Yes – 2024 CPIP Priority 19 of 20 in FY25 (estimated at \$1,337,883)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				598,714	598,714
Federal, National Guard Bureau				598,713	598,713
All Sources				<u>1,197,427</u>	<u>1,197,427</u>

Summary of Work: This emergency project, which is also established under an emergency procurement, will repair and renovate the building. It will include electrical, mechanical, plumbing, and general contractor work.

Rationale: Due to a busted water line extensive flooding occurred on the first and second floor causing destruction and significant damage to facility infrastructure, furnishings, and supporting equipment. In the event of a state emergency (i.e., Winter Storms, Hurricanes, Floods, etc.), the Emergency Management Division, which serves as the State coordinating point for Statewide Emergency operations, would not be able to respond at full capacity or provide common operating space for multiple responding agencies as necessary.

Facility Characteristics: The SC Emergency Management Division Building is 60,629 square feet and was constructed in 1994 (30 years old). This project will make repairs and renovations to 35,000 square feet. The building is utilized by approximately 55+ State Employees, Federal Employees, and Active Guard members daily. It is utilized by approximately 200 individuals in an activated or state response.

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Financial Impact: The project will be funded from Appropriated State, Operating (uncommitted balance \$3.23 million at November 8, 2023), and Federal, National Guard Bureau Funds (uncommitted balance is \$2.3 million at June 18, 2024). Revenue to the National Guard Bureau Fund is identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in an increase of \$400 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$1,197,427 funded by Appropriated State Operating and National Guard Bureau Funds. The construction contract was executed in January 2024 and construction completion is anticipated in August 2024.

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(m)Project: JBRC Item 14: Office of the Adjutant General
E24.9793, Armory Revitalization (Annualized)

Request: Increase the Phase II Full Construction Budget to add funds for the construction of Wellford and Hartsville.

Included in CPIP: Yes – 2024 CPIP Priority 2 of 20 in FY25 (estimated at \$56,791,626)

Phase II Approval: November 2016 (estimated at \$10,500,000) (SFAA)

Phase II Increase Approval: September 2018 (estimated at \$13,500,000) (Admin.)

CSOF Approval: September 2018 (estimated at \$13,500,000) (JBRC Staff)

Phase II Increase Approval: December 2019 (estimated at \$19,600,000) (SFAA)

CSOF Approval: April 2020 (estimated at \$20,000,000) (Admin.)

Phase II Increase Approval: June 2020 (estimated at \$21,000,000) (SFAA)

Phase II Increase Approval: October 2020 (estimated at \$23,100,000) (SFAA)

Phase II Increase Approval: March 2021 (estimated at \$45,524,000) (SFAA)

Phase II Increase Approval: April 2022 (estimated at \$41,000,000) (SFAA)

Phase II Increase Approval: June 2023 (estimated at \$44,141,626) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY16 Capital Reserve (40), (Armory Revitalizations)	5,000,000		5,000,000		5,000,000
FY19 Capital Reserve (7), (Armory Revitalizations)		3,000,000	3,000,000		3,000,000

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FY20 Appropriated State, Proviso 118.16(B)(18)(b), (Armory Construction and Revitalizations)	3,050,000	3,050,000		3,050,000
	2,000,000	2,000,000		2,000,000
FY22 Appropriated State, Proviso 118.18(B)(69)(b), (Armory Revitalization)	608,513	608,513	804,687	1,413,200
	6,500,000	6,500,000		6,500,000
FY23 Appropriated State, Proviso 118.19(B)(74)(a), (Armory Revitalization Funding)	5,500,000	23,483,113	4,499,999	4,499,999
	16,374,600	500,000		28,519,782
FY22 Appropriated State, Carryforward	500,000		5,036,669	500,000
FY24 Appropriated State, Proviso 118.19(B)(63)(b), (Armory Revitalizations)				
Federal, National Guard Bureau				
Other, FY20 Armory Maint				
All Sources	<u>10,500,000</u>	<u>32,033,113</u>	<u>44,141,626</u>	<u>10,341,355</u>
				<u>54,482,981</u>

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

Rationale: In most cases, items require replacement since they have exceeded their service life. In accordance with Federal law, the State of South Carolina is obligated to the National Guard Bureau to provide operation and maintenance funding for those facilities if there is a federally recognized unit assigned to the facilities.

Facility Characteristics: Each armory is 45,000 to 65,000 square feet and was constructed in 1970 (54 years old). The agency has relocated and/or consolidated force structure to other RCs and closed the sub-standard RCs that could be closed. Each armory will be utilized by 300+ National Guardsman statewide.

Financial Impact: This increase will be funded with FY23 Appropriated State (nonrecurring) (uncommitted balance \$804K at June 18, 2024), FY24 Appropriated State (nonrecurring) (uncommitted balance \$4.5 million at June 18, 2024), and Federal, National Guard Bureau (project) Funds (uncommitted balance \$10.5 million at June 18, 2024). Revenue to the National Guard Bureau Fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The project is expected to result in an increase of \$6,000 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$54,482,981 funded by Capital Reserve, Appropriated State, National Guard Bureau and Armory Maintenance Funds. Construction completion for Laurens is expected in October 2024. Construction completion for Union is expected in December 2024. Contract execution for Wellford and Hartsville is expected in August 2024 and completion of construction in August 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Other: 6 of 10 facilities (Greenwood/Lancaster/Greenville/Florence/Sumter/Easley) have been completed.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(n) Project: JBRC Item 15: Office of the Adjutant General
E24.9838: UTES CHP OP Line Units Replacement

Request: Increase Phase II Full Construction Budget and Revise Scope to add a metal canopy over the Controlled Humidity Preservation Lines.

Included in CPIP: Yes – 2024 CPIP Priority 17 of 20 in FY25 (estimated at \$1,905,000)
Phase II Approval: August 2022 (estimated at \$839,950) (JBRC)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	839,950		839,950	1,905,000	2,744,950
All Sources	<u>839,950</u>		<u>839,950</u>	<u>1,905,000</u>	<u>2,744,950</u>

Summary of Work: The project was established to replace the existing Controlled Humidity Preservation (CHP) Operational Preservation (OP) Line Systems located at the SC Army National Guard's Unit Training Equipment Site at the McCrady Training Center on Fort Jackson. This includes replacing SATS ADU-300-40 units on OP lines 1 thru 10, and the Munters ADU-300 on OP line 11, with an IAT 300RE unit. The ADU-600 units on OP lines 12 thru 15 will be replaced with IAT 600RE units. Unit replacement includes new controls for timed operation (no networking) and new air distribution ducting to replace the old PVC with metal duct on lines 4 thru 10. All flex hoses and CARS will be replaced. The additional scope will install a metal canopy over the Controlled Humidity Preservation Lines.

Rationale: The equipment is used to preserve Federally Owned Armored Vehicles (Tanks, Artillery, IFVs, etc.) located at the Unit Training Site by reducing the humidity inside them to reduce corrosion. This suspends the vehicles from the standard maintenance cycle, therefore reducing the number of mechanic man-hours required. The CHP OP Line Systems have reached the end of their life cycle, and repair parts are becoming unavailable.

Facility Characteristics: The existing CHP OP Line Systems were installed in 2002 (22 years old). The OP Line Systems are located on concrete parking pads outside the UTES Building.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Financial Impact: The project will be funded from Federal, National Guard Bureau Funds (uncommitted balance \$2.3 million at June 18, 2024). Revenue to the fund is identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in an increase of \$29,389 (year 1), \$30,859 (year 2), and \$32,402 (year 3), in annual operating expenses.

Full Project Estimate: \$2,744,950 funded by National Guard Bureau Funds. Contract execution is expected in September 2024 and completion of construction in January 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(o) Project: JBRC Item 16: Vocational Rehabilitation Department
H73.9627: Marlboro VR Center Repaving

Request: Establish Phase II Full Construction Budget to repair and resurface the existing parking lot and loading area

Included in CPIP: Yes – 2024 CPIP Priority 1 of 3 in FY25 (estimated at \$718,400)
Phase I Approval: June 2024 (estimated at \$718,400) (JBRC)

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)(25), (Marlboro VR Center Paving)	15,000		15,000	179,600	179,600
Federal, Vocational Rehabilitation Services Grant				1,148,580	1,163,580
All Sources	<u>15,000</u>		<u>15,000</u>	<u>1,328,180</u>	<u>1,343,180</u>

Summary of Work: The project will repair and resurface the existing parking lot and loading area. Subsurface investigations will be required to determine the depth and extent of deterioration of the existing paving prior to resurfacing. Exterior lighting will also be added to the parking areas for increased safety and security.

Rationale: The existing parking lot needs repair and resurfacing.

Facility Characteristics: The Marlboro Vocational Rehabilitation (VR) Center is 24,100 square feet and was constructed in 1988 (36 years old). The existing parking totals 9,200 square yards. This is an Area Office which provides vocational rehabilitation services to individuals with a wide range of disabilities. The goal of these services is to prepare and assist eligible citizens with disabilities to achieve and maintain competitive employment. The center is utilized by 24 staff and 45 to 50 consumers.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Financial Impact: This phase of the project will be funded from FY24 Appropriated State (nonrecurring) (uncommitted balance \$179K at June 19, 2024), and Federal, Vocational Rehabilitation Services Grant Funds (uncommitted balance \$26 million at June 19, 2024). The Vocational Rehabilitation Services Grant Funds are received to be used for the provision of VR services. The project is expected to result in an increase of \$400 (year 1), and \$1,200 (years 2 thru 3), in annual operating expenditures.

Full Project Estimate: \$1,343,180 funded by Appropriated State (nonrecurring) and Vocational Rehabilitation Services Grant Funds. The estimated cost to complete the project has increased from the Phase I submission and the 2024 CIP because the unit costs for the asphalt and concrete paving are much higher in Marlboro, as well as the engineers are anticipating poor soil conditions based on their experience in this area. Contract execution is expected in October 2024 and completion of construction in February 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(p) Project: JBRC Item 26: Department of Corrections
 N04.9801: RNG (Renewable Natural Gas) Project

Request: Establish Phase I Pre-Design Budget to allow the agency to partner with GreenGas to explore options to develop a Renewable Natural Gas project at the Wateree Correctional facility.

Included in CPIP: Yes – 2024 CPIP Priority 6 of 8 in FY26 (estimated at \$8,000,000)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, GreenGas USA				300,000	300,000
All Sources				<u>300,000</u>	<u>300,000</u>

Summary of Work: The project will allow GreenGas USA to lease an area at the Wateree Correctional Institution and install and operate one or more tank based anaerobic digesters at Wateree River Farms with a total digester capacity of approximately 1 million gallons. The anaerobic digesters will process the Feedstock Material which utilizes Dairy manure and up to 35,000 tons of food waste per year, as well as other feedstock sources that may be in close proximity to the facility.

Rationale: The anaerobic digesters on the leased shall permit GreenGas USA to capture and process raw gas generated by the facility’s on-site dairy manure and food waste for the purpose of upgrading and processing the Raw Gas into saleable renewable natural gas. This RNG will be introduced into the SC Natural Gas Pipeline.

Facility Characteristics: The new facility will be approximately 78,408 square feet on 1.8 acres.

Financial Impact: The project will be fully funded from Other, GreenGas USA Funds (\$14.5 million committed at July 11, 2024). GreenGas will pay a proposed \$100K annually for use of the property for a contract term of 20 years. GreenGas will share 50% of net project profits with the Department of Corrections, starting Year 1 for the 20-year contract term. The profit share will be net of a capital recovery charge that provides GreenGas with recovery of and minimum return on capital.

Full Project Estimate: \$14,500,000 funded by GreenGas USA.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(q) Project: JBRC Item 28: Department of Juvenile Justice
N12.9621: HVAC R22 Replacement

Request: Increase Phase II Full Construction Budget and Revise Scope to replace HVAC systems in facilities statewide

Included in CPIP: Yes – 2024 CPIP 10 of 14 in FY25 (estimated at \$2,000,000)
Phase II Approval: April 2022 (estimated at \$1,476,363) (Admin)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY22 Appropriated State, Proviso 118.18 (B)(50)(c), (HVAC Replacement)	1,476,363		1,476,363	523,637	2,000,000
Federal, ARP ESSER				175,000	175,000
All Sources	<u>1,476,363</u>		<u>1,476,363</u>	<u>698,637</u>	<u>2,175,000</u>

Summary of Work: The project was established to replace existing HVAC systems in the following facilities statewide: Birchwood Science/Gym, Birchwood Vocational, John G. Richards Gym, Palmetto, Willow Lane Girls Transition Home, Evergreen, The Juvenile Detention Center, Palmetto Annex, Building 2007, and the Midland Evaluation Center's Pearl unit. The revised scope will add the replacement of four (4) additional housing units on the Broad River Road Campus, Holly, Maple, Poplar, and Cypress. These units were not included in the original scope due to use of a newer refrigerant.

Rationale: The HVAC units being replaced operate on R22 freon and the R22 freon component is no longer in production making repairs and maintenance more expensive over the long term. The current HVAC units are reaching the end of their service lives and need replacement.

Facility Characteristics: The fourteen (14) facilities total 135,372 square feet and were constructed between 2002 (22 years old) and 2009 (15 years old). The facilities in this project are utilized by 159 faculty/staff, plus security, and 337 youth.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Financial Impact: This increase will be funded from FY22 Appropriated State (nonrecurring) (uncommitted balance \$523K at May 28, 2024), and Federal, ARP ESSER (\$307K awarded at May 28, 2024). The ARP ESSER funds were received from the American Rescue Plan Act that was signed into law. These funds are provided to state educational agencies and school districts to help safely reopen and sustain the safe operation of schools and address the impact of the coronavirus pandemic on the nation's students. The project is expected to result in a decrease of \$20,000 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$2,175,000 funded by FY22 Appropriated State (nonrecurring), and ARP ESSER Funds. Construction completion is anticipated in December 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(r) Project: JBRC Item 30: Department of Natural Resources
P24.6052: Beaufort – Waddell Mariculture Maturation Ponds Maintenance

Request: Increase Phase II Full Construction Budget to renovate the maturation ponds at the Waddell Mariculture Center in Bluffton.

Included in CPIP: Yes – 2024 CPIP Priority 10 of 62 in FY25 (estimated at \$7,584,800)
Phase II Approval: December 2021 (estimated at \$3,500,000) (Admin)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY22 Appropriated State, Proviso 118.18 (B)(52)(f), (Waddell Fish Hatchery – Deferred Maint./Upgrades)	3,500,000		3,500,000		3,500,000
				1,088,000	1,088,000
FY23 Appropriated State, Proviso 118.19 (B)(44)(g), (Infrastructure Needs)				2,996,800	2,996,800
Other – Marine Resources, Saltwater Fishing License					
All Sources	<u>3,500,000</u>		<u>3,500,000</u>	<u>4,084,800</u>	<u>7,584,800</u>

Summary of Work: The project will address re-contouring the existing ponds to allow for replicated research. Repairs include concrete water control structures, basins, walkways, pond liners, electrical upgrades, pond pipes and valve replacements. The project will also renovate the saltwater/freshwater holding tower that allows for gravity flow of water to hatchery, ponds, outdoor tank systems, and greenhouse systems. This will include inflow and outflow pipes, valves, refurbishment of the saltwater

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

and freshwater compartments and the addition of valves to allow the flushing of sediment from the tower. The current maturation building will be deconstructed and replaced with a 2,000 square foot pole barn set over the existing foundation for outdoor tanks. A greenhouse system will be added to provide thermal stability in cold months to allow flounder to be grown outside. IT infrastructure will be installed allowing remote monitoring of ponds. The additional funds being added to the project will allow additional ponds to be renovated.

Rationale: This project will allow for replicated research, gravity flow of water to hatchery, ponds, outdoor tank systems, and greenhouse systems. The valves to allow the flushing of sediment will reduce buildup that leads to water loss from leaks. The greenhouse system will provide thermal stability in cold months to allow flounder to be grown outside. The IT infrastructure portion will allow for automatic data recording and alerts to be sent if water quality parameters are outside safe ranges for fish.

Facility Characteristics: The Maturation Building is 2,000 square feet and along with the current Waddell Mariculture Center Hatchery was constructed in 1984 (40 years old). The Hatchery supports the agency's Marine Resources Research and Monitoring - Flounder Restocking Program and is utilized by 10 staff on a daily basis.

Financial Impact: This increase will be funded from FY23 Appropriated State (nonrecurring) Funds (uncommitted balance \$8.45 million at June 14, 2024), and Other, Marine Saltwater Fishing License Funds (uncommitted balance \$4.55 million at June 14, 2024). Revenue received for the Marine Resources; Saltwater Fishing Licenses is received from the sale of recreational fishing licenses. The project is expected to result in an increase of \$2,500 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$7,584,800 funded by Appropriated State (nonrecurring) and Marine Resources, Saltwater Fishing License Funds. Contract execution is expected in October 2024 with construction completion in September 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(s) Project: JBRC Item 31: Department of Natural Resources
 P24.6097: Marion-Marsh WMA Land Acquisition (Waterfront Preservation)

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-491 acres in Marion County.

Included in CPIP: Yes – 2024 CPIP Priority 45 of 62 in FY25 (estimated at \$640,000)

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)(37)(b), (Habitat Protection and Land Conservation Acquisitions)				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: Acquisition of the property would protect property along the Pee Dee River that provides riparian, wetland, and aquatic habitats, floodwater storage, flood-flow attenuation, and water quality improvement functions. Protection of the property would enhance and expand the protection of riparian and aquatic habitats. The property adjoins Marsh Wildlife Management Area and will be open to the public for recreation.

Characteristics: The tract is on the Pee Dee River floodplain. Ninety percent of the property is palustrine-wetland habitat and located within a Flood Hazard Area, 100-year floodplain. The property borders 0.7 miles of the Pee Dee River and several sections of stream (portions of the Bull Swamp/Mulyn Creek system) run from NW to SE across the property.

Financial Impact: The property is offered by Waterfront Preservation Foundation, Inc. of Mt. Pleasant, SC for the proposed purchase price of \$980,000. The due diligence activities will be funded from FY24 Appropriated State (nonrecurring) Funds (uncommitted balance \$12.84 million at June 19, 2024). The project is expected

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

to result in an increase of \$10,000 (year 1), and \$5,000 (years 2 thru 3), in annual operating expenditures.

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

Other: The South Carolina Department of Natural Resources has coordinated and collaborated with the South Carolina Conservation Bank to confirm that the proposed conservation land acquisition of this property is an appropriate conservation purchase and will maximize the most cost-effective use of funds appropriated or authorized by the General Assembly in the proposed purchase.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (t) Project: JBRC Item 36: Department of Natural Resources
P24.6108: Horry - Lewis Ocean Bay HP Land Acquisition (CMC)
- Request: Establish Final Land Acquisition to purchase +/-353 acres of land in Horry County.
- Included in CPIP: Yes – 2024 CPIP Priority 41 of 62 in FY25 (estimated at \$9,568,000)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY25 Appropriated State, Proviso 118.20 (B)(37)(c), (Habitat Protection and Land Conservation)				9,558,000	9,558,000
All Sources				<u>9,558,000</u>	<u>9,558,000</u>

Rationale: The acquisition of the property will protect similar habitats that exist on Lewis Ocean Bay Heritage Preserve (LOBHP) containing pine savannas and blackwater swamp forests. There are several element of occurrence records for the federal At-Risk and globally imperiled Venus flytrap (*Dionaea muscipula*). The abundance and range of Venus flytrap has been decimated by fire suppression and land conversion. It is now known from only a few populations in the world – two populations in Horry County, SC and in a few coastal counties of NC. The largest population of Venus flytrap in the state of South Carolina is found centered at Lewis Ocean Bay HP and is the only population within the state that is considered to have long-term viability. The species is thought to be extirpated from Georgetown and Berkeley counties because of fire suppression and land use changes. Once acquired, the property will be open to the public for outdoor recreational activities and will be incorporated as part of the LOBHP.

Characteristics: The property is across International Drive from Lewis Ocean Bay Heritage Preserve, just north of the Carolina Forest community. A portion of Socastee Swamp runs through the property.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Financial Impact: The property is offered by Conway Hospital, Inc. for \$9,538,000. The acquisition will be funded from FY25 Appropriated State (nonrecurring) Funds (uncommitted balance \$10 million at August 1, 2024). The project is expected to result in an increase of \$10,000 (year 1), and \$5,000 (years 2 thru 3), in annual operating expenditures. An appraisal was completed in February 2024 and valued the property at \$9,538,000. A Phase I Environmental Site Assessment was completed in July 2024 and revealed evidence of a recognized environmental condition in connection with the property. The assessment concluded that the southwest portion of the property is within the expanded investigation area of Range III in the former Conway Bombing and Gunnery Range and has not been screened for Munitions and Explosives of Concern (MEC). Because the potential presence of MEC or associated materials cannot be ruled out, this portion of the property's past use as Conway Bombing and Gunnery Range III Safety Zone is considered a recognized environmental condition. Back in May 2018 a Remedial Investigation Report on the Former Conway Bombing and Gunnery Range was completed for the U.S. Army Corps of Engineers and concluded that any munitions related hazards were cleared by a private landowner funded operation. SCDHEC concurred with the No DoD Action Indicated (NDAI) recommendation. A Phase II Assessment is not recommended at this time. A Building Condition Assessment is not required because there are no buildings located on the property. Letters of support are not required because the property is owned by a nonprofit organization.

Full Project Estimate: \$9,558,000 funded by FY25 Appropriated State (nonrecurring) Funds. Funds.

Other: The South Carolina Department of Natural Resources has coordinated and collaborated with the South Carolina Conservation Bank to confirm that the proposed conservation land acquisition of this property is an appropriate conservation purchase and will maximize the most cost-effective use of funds appropriated or authorized by the General Assembly in the proposed purchase.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(u) Project: JBRC Item 37: Department of Parks, Recreation & Tourism
 P28.9851: Dearborn New Park Development

Request: Establish Phase I Pre-Design Budget to develop a state park on Dearborn Island in Chester.

Included in CPIP: Yes – 2024 CPIP Priority 26 of 37 in FY25 (estimated at \$2,013,589)

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)(45)(k), (State Park Enhancements)				30,204	30,204
All Sources				<u>30,204</u>	<u>30,204</u>

Summary of Work: This project will consist of site development, new construction, interior renovations to existing facilities, utilities, and landscaping. The multifaceted project will blend nature and history. The new park will feature hiking and biking trails with scenic viewpoints, as well as white water and flat-water paddling opportunities. All roof material options will be considered during the Phase I process.

Rationale: According to the agency, Dearborn Island State Park will boost tourism and stimulate the local economy by offering diverse recreational activities. With hiking, biking, and paddling options, the park will draw visitors seeking outdoor adventures. These attractions will support nearby businesses and create jobs, contributing to the economic vitality of the region. The project aligns with the goal of fostering sustainable tourism while preserving the natural and cultural heritage of the area.

Facility Characteristics: The historic structure located on the property was constructed in 1910 (114 years old). Total square footage of any new facilities will be determined upon assessment of existing facilities and completion of planning and design. New facilities may be constructed to provide necessary staff and visitor amenities. The new park is estimated to have over 10 million state park visitors annually.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Financial Impact: This phase of the project will be funded from FY23 Appropriated State Funds (non-recurring) (uncommitted balance is \$3.14 million at March 30, 2024). The project is expected to result in an increase of \$10,000 (years 1 thru 3), in annual operating expenditures

Full Project Estimate: \$2,013,589 (internal). Phase II will be funded by \$3,147,000 in Appropriated State (nonrecurring), and \$120,864 in Duke Energy Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(v) Project: JBRC Item 39: Department of Parks, Recreation & Tourism
P28.9824: Huntington Beach Boardwalk - Hurricane Ian Repairs

Request: Increase Phase II Full Construction Budget remove and replace the boardwalk at Huntington Beach State Park.

Included in CPIP: No – The project was not included in the 2024 CPIP because the need for the increase was unknown at the time of the 2024 CPIP submission.

Phase I Approval: May 2023 (estimated at \$500,000) (JBRC)

Phase II Approval: August 2023 (estimated at \$806,361.84) (JBRC)

Change Source of Funds Approval: May 2024 (estimated at \$806,361.84) (Admin)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, FEMA		344,036	344,036		344,036
Other, Park Revenue	7,500	40,147	47,647	416,937	464,584
Other, Insurance Reserve		300,000	300,000		300,000
Other, FEMA Match		114,679	114,679		114,679
All Sources	<u>7,500</u>	<u>798,862</u>	<u>806,362</u>	<u>416,937</u>	<u>1,223,299</u>

Summary of Work: The project will remove the damaged boardwalk and construct a new boardwalk in its place. The existing small damaged three-tab asphalt shingle roof covering the wildlife viewing area will be replaced with either three-tab asphalt shingles or a metal roof. The new roof will come with a minimum 20-year material and workmanship warranty. The additional funds being added will cover additional cost to repair a larger section of the boardwalk, as well as the overlook because the very end of the boardwalk was lost after another storm.

Rationale: The March boardwalk sustained damage during Hurricane Ian which include the loss of various sections of decking, hand-railing and support beams. It has been deemed unsafe and is closed to the public.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Facility Characteristics: The existing boardwalk is 5,700 square feet and was constructed in 1991 (32 years old). The new boardwalk to be constructed will be the same footprint (5,700 square feet), of the existing boardwalk. The agency is currently in negotiations with FEMA on possibly raising the height of the boardwalk, however the length and width will be same as before. The boardwalk is used by approximately 1.1 million visitors annually.

Financial Impact: This increase will be funded from Other, Park Revenue Funds (uncommitted balance \$9.19 million at June 19, 2024). Park Revenues are derived from operating revenue generated by the State Park System. The fund collects fees for admission, camping, lodging, and other fees charged for the use of recreational facilities and programs. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,223,299 funded by FEMA and Insurance Reserve, Park Revenue, Insurance Reserve, and FEMA Match Funds. Contract execution is expected in September 2024 and completion of construction in July 2025.

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 - August 27, 2024

SFAA Items - August 27, 2024

SFAA Item	JBRC Item2	Agency Code	Agency Name	Project ID	Project Name	Action Proposed	Included in CIP?*	Current Budget	Requested Change	Phase I	Total Phase II Budget	SOF (excludes proposed Phase II if currently seeking Phase I)
(a)	1	H09	The Citadel	9626	Krause School of Leadership and Ethics Reno/Addition	Establish Phase II, Change Project Name, Change Source of Funds & Revise Scope	Yes	108,000	3,645,270	108,000	3,753,270	Other - Gifts / Other - Leadership Lab Fee / Other - TCF-Faculty Excellence / Other - Rollover Provost / Other - Annual Asset Management / Other - Institutional Capital Project
(b)	Sep.	H12	Clemson University	9965	College of Veterinary Medicine Construction	Phase II Increase	Yes	95,000,000	175,000,000	10,000,000	270,000,000	Institutional Bonds / Capital Reserve - FY25 (5) / Appropriated State - FY24 Proviso 118.19 (B) (10) (a) / Appropriated State - Operating FY23 Proviso 14.1 / Appropriated State - Proviso 118.20 (B) (9) / Other - FY23 Lottery Expenditure Account
(c)	Sep.	H12	Clemson University	9968	Jervey Athletic Center Renovations and Performance & Wellness Center Addition	Change Source of Funds	Yes	50,000,000	-	750,000	50,000,000	Athletic Revenue Bonds
(d)	2	H24	South Carolina State University	9665	SC State PSA Research & Extension Center (Bamberg County)	Establish Phase II	Yes	75,000	11,564,128	75,000	11,639,128	Federal - USDA Evans Allen Grant
(e)	3	H51	Medical University of South Carolina	9854	College of Health Professions President Street Academic Building	Phase II Increase & Revise Scope	Yes	70,000,000	9,933,236	600,000	79,933,236	State Institution Bonds / Federal - NIH Grant / Other - Institutional Capital Reserves / Other - CHP Clinical Reserves / Other - Capital Renewal
(f)	4	H59	Aiken Technical College	6250	Nursing Building Construction	Establish Phase II	Yes	300,000	23,792,351	300,000	24,092,351	Capital Reserve - FY17 (21) / Appropriated State - FY17 Proviso 118.16 (B)(23)(f) / Other - SRS / Other - Local
(g)	5	D50	Department of Administration	6157	Blatt Building - 3rd Floor VAV Replacement	Establish Phase I	Yes	-	23,480	23,480	1,565,349	Appropriated State - FY25
(h)	6	D50	Department of Administration	6158	SC Data Center - Replace UPS A-Side Modules and Battery String	Establish Phase I	Yes	-	25,510	25,510	1,500,000	Other - SC Division of Technology
(i)	7	D50	Department of Administration	6134	DOA - Repoint and Clean Exterior Façade	Establish Phase II	Yes	33,000	3,396,344	33,000	3,429,344	Other - Depreciation Reserve
(j)	9	D50	Department of Administration	6040	Supreme Court – Waterproof Walls and Windows and Roof Repairs	Phase II Increase & Revise Scope	Yes	3,880,000	225,000	-	4,105,000	Capital Reserve - FY20 (1) / Appropriated State - FY22 Proviso 118.18 (B)(67) / Appropriated State - FY25 / Other - Non-Departmental / Other - FY19 Judicial Capital Reserve (38) / Other - SCJB Development
(k)	12	E24	Office of the Adjutant General	9854	RC/FMS Parking Improvements (Annualized)	Phase I Increase	Yes	10,500	7,500	18,000	2,052,250	Appropriated State - Operating / Federal - National Guard Bureau
(l)	13	E24	Office of the Adjutant General	9857	SCEMD Joint Operations Center Emergency Repairs	Establish Phase II	Yes	-	1,197,427	-	1,197,427	Appropriated State - Operating / Federal - National Guard Bureau
(m)	14	E24	Office of the Adjutant General	9793	Armory Revitalization (Annualized)	Phase II Increase	Yes	44,141,626	10,341,355	-	54,482,981	Capital Reserve - FY16 (40) & FY19 (7) / Appropriated State - FY20 Proviso 118.16 (B)(18)(b), FY22 Proviso 118.18 (B)(69)(b), FY23 Proviso 118.19 (B)(74)(a), FY22 Carryforward, FY24 Proviso 118.19 (B)(63)(b) / Federal - National Guard Bureau / Other - FY20 Armory Maintenance
(n)	15	E24	Office of the Adjutant General	9838	UTES CHP OP Line Units Replacement	Phase II Increase	Yes	839,950	1,905,000	-	2,744,950	Federal - National Guard Bureau
(o)	16	H73	Vocational Rehabilitation Department	9627	Marlboro VR Center Repaving	Establish Phase II	Yes	15,000	1,328,180	15,000	1,343,180	Appropriated State - FY24 Proviso 118.19 (B)(25) / Federal - Vocational Rehabilitation Services Grant
(p)	26	N04	Department of Corrections	9801	RNG (Renewable Natural Gas) Project	Establish Phase I	Yes	-	225,000	225,000	14,500,000	Other - GreenGas USA
(q)	28	N12	Department of Juvenile Justice	9621	HVAC R22 Replacement	Phase II Increase & Revise Scope	Yes	1,476,363	698,637	-	2,175,000	Appropriated State - FY22 Proviso 118.18 (B) (50) (c) / Federal - ARP ESSER
(r)	30	P24	Department of Natural Resources	6052	Beaufort – Waddell Mariculture Maturation Ponds Maintenance	Phase II Increase	Yes	3,500,000	4,084,800	-	7,584,800	Appropriated State - FY22 Proviso 118.18 (B) (52) (f) / Appropriated State - FY23 Proviso 118.19 (B) (44) (g) / Other - Marine Resources, Saltwater Fishing License
(s)	31	P24	Department of Natural Resources	6097	Marion-Marsh WMA Land Acquisition (Waterfront Preservation)	Preliminary Land Acquisition	Yes	-	20,000	20,000	1,000,000	Appropriated State - FY24 Proviso 118.19 (B)(37) (b)
(t)	36	P24	Department of Natural Resources	6108	Horry - Lewis Ocean Bay HP Land Acquisition (CMC)	Final Land Acquisition	Yes	-	9,558,000	-	9,558,000	Appropriated State - FY25 Proviso 118.20 (B)(37)(c)
(u)	37	P28	Department of Parks, Recreation & Tourism	9851	Dearborn New Park Development	Establish Phase I	Yes	-	30,204	30,204	2,013,589	Appropriated State - FY23 Proviso 118.19 (B)(45)(k)
(v)	39	P28	Department of Parks, Recreation & Tourism	9824	Huntington Beach Boardwalk - Hurricane Ian Repairs	Phase II Increase	No	806,362	416,937	7,500	1,223,299	Federal - FEMA / Other - Park Revenue / Other - Insurance Reserve / Other - FEMA Match
Sep.	Sep.	H59	SC State Board for Technical and Comprehensive Education	6313	Building Acquisition for readySC training	Final Land Acquisition	Yes	-	5,001,000	-	5,001,000	Other - Richland County / Other - Department of Commerce / Other - SC State Board for Technical and Comprehensive Education / Other - Midlands Technical College Funds

Project List: SFAA Items - August 27, 2024

SFAA Items - August 27, 2024

SFAA Item	JBRC Item2	Agency Code	Agency Name	Project ID	Project Name	Action Proposed	Included in CPIP?	Current Budget	Requested Change	Phase I	Total Phase II Budget	SOF (excludes proposed Phase II if currently seeking Phase I)
Sep.	34	P24	Department of Natural Resources	6084	Jasper-Coosawhatchie HP Land Acquisition Part II (OSI)	Final Land Acquisition	Yes	20,000	3,825,000	20,000	3,845,000	Federal - USFS Forest Legacy / Other - Heritage Land Trust
Sep.	35	P24	Department of Natural Resources	6085	Jasper-Coosawhatchie HP Land Acquisition Part III (TNC)	Final Land Acquisition	Yes	20,000	2,627,137	20,000	2,647,137	Federal - USFS Forest Legacy / Other - Heritage Land Trust / Other - Fish & Wildlife Protection (Deer) / Other - Fish & Wildlife Protection (Timber)

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 27, 2024

Regular Agenda

1. Submitted By:

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


 Kevin Etheridge, Executive Budget Office

2. Permanent Improvement Projects

3. Summary Background Information:

- (a) Project: JBRC Item 1: The Citadel
H09.9626: Krause School of Leadership and Ethics Reno/Addition
- Request: Change Project Name, Change Source of Funds, Revise Scope and Establish Phase II Full Construction Budget to construct an addition and to renovate 201, 202 and 203 Richardson Avenue.
- Included in CPIP: Yes – 2024 CPIP Priority 3 of 3 in FY25 (estimated at \$3,753,270)
- Phase I Approved: December 2023 (estimated at \$3,600,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Gifts	108,000		108,000	2,855,557	2,963,557
Other, Leadership Lab Fee				400,695	400,695
Other, TCF-Faculty Excellence				115,854	115,854
Other, Rollover-Provost				80,000	80,000
Other, Annual Asset Management				104,453	104,453
Other, Institutional Capital Project				88,711	88,711
All Sources	<u>108,000</u>		<u>108,000</u>	<u>3,645,270</u>	<u>3,753,270</u>

Summary of Work: The project will renovate units 201, 202 and 203, which total 6,791 gross square feet in the two-story building which is used for office space. A single story approximately 2,270 gross square foot addition will also be constructed at the front/north side of the units. A new accessible ramp and restrooms will be added to the units. The HVAC system and electrical system will be replaced. The exterior finish of the addition will be stuccoed to match the existing units. It will have hurricane-rated windows and a low-slope roof. The roof to be installed on the addition will be a Modified Bitumen Roofing system that will come with a 25 material and workmanship warranty.

Rationale: This project establishes the home for the School of Leadership and Ethics. The collective vision is to be the pre-eminent School of Leadership and Ethics. This renovation and addition will further the goal by transforming the interior into an open, contemporary space for faculty, staff, and students, that is set apart from its former use as housing. Most of this building remains in its original condition. There have been minor upgrades to the first-floor areas to accommodate faculty and staff occupancy. This renovation and addition will

expand the faculty and staff areas, as well as student interaction spaces. There is currently no handicapped assessable entrance or accessible restrooms in these units. The HVAC system is still in operation but is in poor condition. The old residential electrical system is at maximum capacity and needs to be replaced and expanded. The renovation and addition to Richardson Avenue facilitates the creation of a new School of Leadership and Ethics.

Facility Characteristics: 201-204 Richardson Avenue totals 9,692 gross square feet and was constructed in 1936 (88 years old). It is a two-story building comprised of four units. Three of the four units, 201, 202 and 203, totaling 6,791 gross square feet will be renovated in this project. The building was originally constructed to serve as faculty housing but is currently used as office space. A single-story, approximately 2,270 gross square foot addition will also be constructed. The facility will house the administration and some specialty teaching spaces that support approximately 520 undergraduate and graduate students, and approximately 21 faculty and staff.

Financial Impact: This phase of the project will be funded from Other, Gifts (uncommitted balance \$2.85 million at June 6, 2024), Other, Leadership Lab Fees (uncommitted balance \$401K at June 5, 2024), Other, TCF-Faculty Excellence (uncommitted balance \$444K at June 5, 2024), Other, Rollover-Provost (uncommitted balance \$425K at June 5, 2024), Other, Annual Asset Management (uncommitted balance \$105K at June 5, 2024), and Other, Institutional Capital Project Funds (uncommitted balance \$9.0 million at June 5, 2024). The Leadership Laboratory Fee is received from dedicated charges of \$1,208 per freshman cadet and \$1,040 per upperclassman cadet annually. The TCF-Faculty Excellence Funds is money granted by The Citadel Foundation on an annual basis. The Rollover-Provost Fund is money granted by The Citadel Foundation on an annual basis. The Annual Asset Management Fund is money utilized for annual maintenance of The Citadel which is funded by appropriation funds and or institutional capital project funds. The Institutional Capital Project Fund is all excess debt service fund transferred to the Institutional Capital Project Fund as of June 30th each year. The project is expected to result in an increase of \$4,530 (year 1), \$4,760 (year 2), and \$5,000 (year 3), 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: \$3,753,270 funded by Gifts, Leadership Lab Fees, TCF-Faculty Excellence, Rollover-Provost, Annual Asset Management, and Institutional Capital Project Funds. Contract execution is expected in August 2025 and completion of construction in October 2026.

(b) Project: JBRC Separate Item: Clemson University
H12.9965: College of Veterinary Medicine Construction

Request: Establish Phase II Full Construction Budget to construct a teaching complex, research laboratories and clinical spaces.

Phase I Approval: March 2023 (estimated at \$285,000,000) (SFAA)
Partial Phase II Approval: April 2024 (estimated at \$285,000,000) (JBRC)

Included in CPIP: Yes – 2024 CPIP Priority 1 of 9 in FY25 (estimated at \$270,000,000)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Institution Bonds				50,000,000	50,000,000
FY25 Capital Reserve (5) (College of Veterinary Medicine)				47,000,000	47,000,000
FY24 Appropriated State, Proviso 118.19 (B)(10)(a), (College of Veterinary Medicine)		75,000,000	75,000,000		75,000,000
Appropriated State, Operating (FY23 Proviso 14.1), (College of Veterinary Medicine)		10,000,000	10,000,000		10,000,000
FY25 Appropriated State, Proviso 118.20 (B)(9)				78,000,000	78,000,000
Other, FY23 Lottery Expenditure Account	10,000,000		10,000,000		10,000,000
All Sources	<u>10,000,000</u>	<u>85,000,000</u>	<u>95,000,000</u>	<u>175,000,000</u>	<u>270,000,000</u>

Summary of Work: The university completed a comprehensive feasibility study to develop a detailed implementation and program plan. This project will utilize this study to conduct site selection and engage architectural/engineering firms and a Construction Manager at Risk to provide schematic design of the facilities. The facilities will include, but not be limited to, a teaching complex, research laboratories and clinical spaces. Clemson will construct the main teaching building and labs but will partner with private clinics for clinical experiences. A partial Phase II request was previously approved to continue with design work and award early construction packages. This increase will allow construction to continue.

Rationale: South Carolina currently does not have a College of Veterinary Medicine, and only four states have fewer veterinarians per capita. There is a rapid growth in national demand for services and investment in animal health. Further, research done at veterinary colleges is increasingly important for protecting human public health. Currently, SC contracts to fund the difference between residential and non-residential tuition for SC veterinary students in cooperating states. Clemson’s distributed model for clinical learning will leverage existing assets in the state through partnerships with industry and clinical enterprises.

Facility Characteristics: The new facility to be constructed will be approximately 233,000 square feet. Based on current analysis per the university, SC can justify a class size of 80 students that may grow to 100 or more in the future. Once the College of Veterinary Medicine is constructed, it is expected to be utilized by approximately 292 students and student employees, 50 faculty, and 82 staff.

Financial Impact: This increase will be funded from Institution Bonds (\$50 million to be issued), FY25 Capital Reserve (uncommitted balance \$47 million at July 16, 2024), and FY25 Appropriated State (nonrecurring) Funds (uncommitted balance \$78 million at July 16, 2024). The project is expected to result in an increase of \$1,640,724 (year 1), \$1,689,946 (year 2), and \$1,740,644 (year 3), in annual operating expenditures. The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$5,710,000 over 30 years. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has not increased for the years 2020-2021 to 2024-2025. \$380 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$270,000,000 funded from Institution Bonds, Capital Reserve, Appropriated State (nonrecurring), Appropriated State (operating), and Lottery Expenditure Account Funds. Completion of construction is anticipated in June 2026.

- (c) Project: JBRC Separate Item: Clemson University
H12.9968: Jervey Athletic Center Renovations and Performance & Wellness Center Addition
- Request: Change Source of Funds to remove Athletic Gifts and Donations and add Athletic Revenue Bond Funds to construct an addition to and renovate a portion of the Jervey Center.
- Included in CPIP: No – Change Source of Funds requests are not required to be included in the CPIP submission.
- Phase I Approval: May 2023 (estimated at \$50,000,000) (SFAA)
- Phase II Approval: October 2023 (estimated at \$50,000,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Athletic Revenue Bonds		20,000,000	20,000,000	30,000,000	50,000,000
Other, Athletic Gifts & Donations	750,000	29,250,000	30,000,000	(30,000,000)	
All Sources	<u>750,000</u>	<u>49,250,000</u>	<u>50,000,000</u>		<u>50,000,000</u>

Summary of Work: The project will construct an approximately 50,600 square foot addition and renovate approximately 18,850 square feet within the existing Athletic Center, including improvements for the volleyball and track and field programs. The facility improvements will include updated locker rooms for officials, Clemson and visiting teams, including showers, nutrition, bistro, lounge, and film room spaces. Modernization of restrooms, concessions, seating and playing areas, raising the roof above the playing court, and additional equipment will also be included. The existing 1.5” metal deck roof on the Jervey Athletic Center will be replaced with a tapered polyisocyanurate insulation system on metal deck with a TPO roofing membrane. The roof to be installed on the new Performance and Wellness Center addition will also be a tapered polyisocyanurate insulation system on metal deck with a TPO roofing membrane. The new roofs will come with a 20-year material and workmanship warranty.

Rationale: With the addition of Women’s Gymnastics and Women’s Lacrosse, additional square footage is needed beyond the capacity of existing Performance and Wellness facilities. The existing facility needs significant improvements and modernization of all lower-level areas, per the university. The renovation and addition were determined to be more cost effective than the alternative of replacing the facility with all new construction.

Facility Characteristics: The existing facility is 85,000 square feet and was constructed in 1972 (51 years old). Approximately 18,180 square feet of the facility will be renovated in this project. The addition to be constructed will be approximately 50,600 square feet. The facility currently provides services for all Clemson student-athletes but serves as the primary home of Women’s Volleyball and Men’s and Women’s Track and Field. In addition, it provides locker rooms for visiting volleyball teams, baseball teams, and officials/umpires. The improvements to the Jervey Performance and Wellness Center will be utilized by approximately 400 students and 45 staff.

Financial Impact: The project will be funded from Athletic Revenue Bonds (to be issued). The project is expected to result in an increase of \$328,900 (year 1), \$338,767 (year 2), and \$348,930 (year 3) in annual operating expenditures. The addition will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$749,196 over a 30-year period. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has not increased for the years 2020-2021 to 2024-2025. \$380 of the

\$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$50,000,000 funded by Athletic Revenue Bonds. Contract execution is expected in November 2023 and completion of construction in March 2025.

(d) Project: JBRC Item 2: South Carolina State University (PSA)
H24.9665: SC State PSA Research & Extension Center (Bamberg County)

Request: Establish Phase II Full Construction Budget to construct a new Research & Extension Center in Bamberg County.

Included in CPIP: Yes – 2024 CPIP Priority 1 of 5 in FY26 (estimated at \$2,000,000)
Phase I Approval: January 2024 (estimated at \$5,000,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USDA Evans Allen Grant	75,000		75,000	11,564,128	11,639,128
All Sources	<u>75,000</u>		<u>75,000</u>	<u>11,564,128</u>	<u>11,639,128</u>

Summary of Work: The project will construct an Education Building, Research Building and two small Residential Buildings. Separate facilities are being constructed to create a mini “campus” feel. This is intended to enhance the functionality of the research center by creating courtyard spaces between buildings that can serve as sample farms or outdoor teaching areas. This also allows for flexibility to zone the heating and cooling requirements of the campus. The separation of the residential component also adds a psychological benefit to visiting scholars as they can leave the building and have an enhanced level of privacy and autonomy outside of work hours. The roof to be installed on the new buildings will be a sloped gable roof and will come with the minimum 20-year material and workmanship warranty.

Rationale: The facility is needed to provide administrative, programmatic and research areas for existing and future staff as well as volunteers to fulfill the Land Grant mission of providing research, teaching and extension programs to the citizenry of South Carolina. Additionally, the facility will offer staff, professors, researchers and volunteers the opportunity to engage the community in enhancing economic development and lifelong learning opportunities for the community, youth, families and businesses.

Facility Characteristics: The Education Building will be 10,519 square feet. The Research Building will be 11,422 square feet. The two Residential Buildings will be 550 square foot each. The total campus area to be constructed is 23,041 square feet. The facility will be utilized by 16 students, 8 to 10 faculty/researchers, 6 staff, and approximately 4,500 to 5,200 clients for SC State Public Service Activities.

Financial Impact: The project will be funded from Federal, USDA Evans Allen Grant Funds (uncommitted balance \$13.6 million at June 19, 2024). The Grant funds are previously approved USDA funds. The project is expected to result in an increase of \$191,037 (years 1 thru 3), in annual operating expenditures. The building will be construction to meet Two Green Globes certification standards with anticipated energy savings of \$278,862 over a 30-year period.

Full Project Estimate: \$11,639,128 funded by USDA Evans Allen Grant Funds. Contract execution is expected in May 2025 and completion of construction in August 2026. The estimated cost to complete the project has increased from the Phase I amount because the estimate was provided at a schematic level, and it did not consider site specific project requirements. Additionally, the original estimate did not account for professional design fees or fees associated with Green Globes registration and submittals.

(e) Project: JBRC Item 3: Medical University of South Carolina
H51.9854: College of Health Professions President Street Academic Building

Request: Increase Phase II Full Construction Budget and Revise Scope to upfit the top two floors of the building and to add a new sanitary sewer pumping station to the building.

Included in CPIP: Yes – 2024 CPIP Priority 1 of 6 in FY25 (estimated at \$79,933,236)

Phase I Approval: December 2021 (estimated at \$40,000,000) (SFAA)

Phase II Approval: November 2022 (estimated at \$50,000,000) (SFAA)

Phase II Increase Approval: June 2023 (estimated at \$70,000,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
State Institution Bonds		45,000,000	45,000,000		45,000,000
Federal, NIH Grant				7,453,067	7,453,067
Other, Institutional Capital Reserves	600,000	4,400,000	5,000,000		5,000,000
Other, CHP Clinical Reserves		20,000,000	20,000,000	409,929	20,409,929
Other, Capital Renewal				2,070,240	2,070,240
All Sources	<u>600,000</u>	<u>69,400,000</u>	<u>70,000,000</u>	<u>9,933,236</u>	<u>79,933,236</u>

Summary of Work: The project was established to construct an approximately 94,000 gross square foot building north of the Bioengineering building on President Street. It will include 5,000 square feet of research space, teaching lab and multipurpose classroom spaces and a minimum of an additional 30 faculty and staff office and support space. The bottom four floors will be finished for immediate occupancy, the top two floors will be shell space for future College of Health Professions expansion. The roof to be installed will be a two-ply modified bitumen roof membrane system with a cover board and polyisocyanurate insulation over metal roof deck. The roof will come with a minimum 20-year material and workmanship warranty. The revised project scope will upfit the top two floors of the building and add the addition of a new sanitary sewer pumping station.

Rationale: The new facility is needed to support growth of the various academic programs within the College of Health Professions. Additionally, MUSC was awarded a federal grant to construct a Clinical Research Center for Restoration of Neural-based Function in the Real World (RENEW CENTER) on the 5th and 6th floors of the building. During final utility approval for the building, Charleston Water System determined that the building's sanitary sewer piping could not be tied into an existing sanitary sewer previously installed. Therefore, and due to the numerous utility conflicts on President Street, construction of a new sanitary sewer pumping station is a required scope addition.

Facility Characteristics: The new facility will be 94,000 gross square feet. The 1st to 4th floors will support the Bachelor of Science in Healthcare Studies, Health Administration (Master's and Doctorate), Health Informatics, Doctor of Philosophy in Health and Rehabilitation Science, Cardiovascular Perfusion, Physician Assistant Studies, Anesthesia for Nurses, Speech Language Pathology, Physical Therapy, Occupational Therapy, and Genetic Counseling Program. The new RENEW Center (5th & 6th floors) will support the expansion of collaborative research in Neural Function, Physical Function, Psychosocial Function, and Innovation and Technology Clusters. The facility will be accessible to students, faculty, staff and MUSC constituents.

Financial Impact: This increase will be funded Other, National Institutes of Health Grant (uncommitted balance \$7.45 million at May 22, 2024), Other, Clinical Reserves (uncommitted balance \$20.5 million at May 22, 2024), and Other, Capital Renewal Funds (uncommitted balance \$4 million at May 22, 2024). The grant funds are received from a Federal NIH Grant. Revenue to the CHP Clinical Reserves Fund is derived from clinical revenue generated by patient services. Revenue to the Capital Renewal Fund is institution capital reserves earmarked for deferred maintenance and renewal. The project will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$675,464 over a 30-year period. The project is expected to result in an increase of \$332,000 (year 1), and \$631,000 (years 2 thru 3), in annual operating expenditures. MUSC does not charge a separate plant improvement fee to the students. No student fees or tuition will be increased as a consequence of the project.

Full Project Estimate: \$79,933,236 funded by State Institution Bonds, National Institutes of Health Grant, Institutional Capital Project, Clinical Reserves, and Capital Renewal Funds. Construction completion is anticipated in December 2025.

(f) Project: JBRC Item 4: Aiken Technical College
H59.6250: Nursing Building Construction

Request: Establish Phase II Full Construction Budget to construct a nursing building to house the expansion of the Health Science Technologies.

Included in CPIP: Yes – 2024 CPIP Priority 1 of 2 in FY25 (estimated at \$24,228,480)
Phase I Approval: May 2023 (estimated at \$20,650,000) (Admin)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY17 Capital Reserve (21), Aiken Technical College Life Science Building	300,000		300,000	2,700,000	3,000,000
FY17 Appropriated State, Proviso 118.16 (B)(23)(f), Life Science Building				650,000	650,000
Other, SRS Settlement				11,500,000	11,500,000
Other, Local				8,942,351	8,942,351
All Sources	<u>300,000</u>		<u>300,000</u>	<u>23,792,351</u>	<u>24,092,351</u>

Summary of Work: The project will construct a 36,000 square foot two story nursing building. The roof to be installed on the building will be a mechanically attached PVC thermoplastic roof membrane low slope roof system and will come with the minimum 20-year material and workmanship warranty. The building will include student commons spaces and academic areas, which include study areas throughout the first floor, five (5) private study rooms, four (4) collaborative active learning classrooms and a Computer Lab. Additionally, there will be Six (6) Simulation Suites (Obstetrics High-Fidelity, Pediatric Baby High-Fidelity, Pediatric Jr. High-Fidelity, Medical/Surgery (3), Med Pyxis and related support spaces), debriefing/meeting rooms, control rooms (6), staging and storage, Skills Labs (2) with nursing stations and storage and a Virtual Anatomy Lab are also included. A President’s Suite will include a reception area, offices, conference/meeting rooms, workroom, kitchenette and storage. A Faculty/Dean’s Suite will include reception, offices, conference room, workroom, mail/copy room, filing room, a breakroom and related support spaces.

Rationale: This building will assist the college in meeting accreditation standards and demand for the programs. Upon relocation of the nursing programs to the nursing building, the available space in the current Health Sciences building will be utilized to enhance existing programs and expand with additional offerings in the Health Sciences. The Surgical Technology program is proposing expansion to an associate degree Surgical Technology. The Medical Coding certificate is proposed to expand to a Health Information Management degree. The Radiological Technology degree proposes to add a Sonography component. A Dental Hygiene associate degree is proposed to augment the Dental Assistant diploma. New programs proposed include Pharmacy Technology, Cardiovascular Technology, BIO/Med Laboratory Technology and Dialysis Technicians.

Facility Characteristics: The nursing building to be constructed will be 36,000 square feet. The building will house the associate degree in nursing (ADN) program, the Certified Nursing Assistant (CNA) program, the Licensed Practical Nursing (LPN) program and the Emergency Medical Technician (EMT) program.

Financial Impact: This phase of the project will be funded from FY17 Capital Reserve (uncommitted balance \$2.7 million at June 24, 2024), FY17 Appropriated State (nonrecurring) (uncommitted balance \$650K at June 24, 2024), Other, SRS Settlement (uncommitted balance \$11.5M at June 24, 2024), and Other Local Funds (uncommitted balance \$14.32 million at June 24,

2024). The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$125,629 over a 30-year period. The project is expected to result in an increase of \$3,938 (year 1), and \$15,750 (years 2 thru 3), 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: \$24,092,351 funded by Capital Reserve, Appropriated State (nonrecurring), SRS Settlement and Local Funds. Contract execution is expected in September 2024 and completion of construction in December 2025.

(g) Project: JBRC Item 5: Department of Administration
D50.6157: Blatt Building – 3rd Floor VAV Replacement

Request: Establish Phase I Pre-Design Budget to replace terminal hot water reheat VAV mechanical units.

Included in CPIP: Yes – 2024 CPIP Priority 9 of 27 in FY25 (estimated at \$1,565,349)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY25 Appropriated State				23,480	23,480
All Sources				<u>23,480</u>	<u>23,480</u>

Summary of Work: The project will replace 54 terminal hot water reheat VAV mechanical units to include associated duct work. The majority of this work will be performed above the ceiling on the 3rd floor. The scope also includes replacing all light fixtures with LED light fixtures, installing a new acoustical ceiling system, and replacing the carpet.

Rationale: The equipment and ductwork is original to the building and is past its useful life, leading to periodic failures and disruption of service.

Facility Characteristics: The Blatt Building is 155,162 gross square feet and was constructed in 1978 (46 years old). The 3rd floor of the building is 27,795 gross square feet. The systems are original to the building. The building is utilized by 80 to 100 SC House of Representatives staff year-round, and from January to July each year the number increases to approximately 330.

Financial Impact: This phase of the project will be funded from FY24 Appropriated State Funds (uncommitted balance \$13.35 million at July 1, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,565,349 (internal). Phase II will be funded by Appropriated State, and Depreciation Reserve Funds.

(h) Project: JBRC Item 6: Department of Administration
D50.6158: SC Data Center - Replace UPS A-Side Modules and Battery String

Request: Establish Phase I Pre-Design Budget to replace and upgrade the uninterrupted power source.

Included in CPIP: Yes – 2024 CPIP Priority 10 of 27 in FY25 (estimated at \$1,500,000)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other – SC Division of Technology				25,510	25,510
All Sources				<u>25,510</u>	<u>25,510</u>

Summary of Work: The project will replace and upgrade the “A Side” Uninterrupted Power Source (UPS) at the SC Data Center in Columbia.

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

Facility Characteristics: The SC Data Center is approximately 76,021 square feet and was constructed in 1999 (25 years old). The A-Side UPS Module 1 and battery string are original to the building. The building is utilized by approximately 205 SC Division of Technology (DTO) staff plus varying numbers of customers and visitors daily.

Financial Impact: The project will be funded from Other, SC Division of Technology Funds (uncommitted balance \$9.17 million at June 5, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,500,000 (internal) funded by SC Division of Technology Funds. The Phase I amount requested is 1.70% of the estimated cost to complete the project and the additional amount will be used to cover hazardous materials testing.

(i) Project: JBRC Item 7: Department of Administration
D50.6134: DOA - Repoint and Clean Exterior Façade

Request: Establish Phase II Full Construction Budget for the repair and maintenance of the exterior veneer of the Brown Building, Calhoun Building, Dennis Building, and Wade Hampton Building.

Included in CPIP: Yes – 2024 CPIP Priority 6 of 27 in FY25 (estimated at \$3,429,344)
Phase I Approval: December 2023 (estimated at \$1,950,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	33,000		33,000	3,396,344	3,429,344
All Sources	<u>33,000</u>		<u>33,000</u>	<u>3,396,344</u>	<u>3,429,344</u>

Summary of Work: The project will include re-pointing the mortar joints, as needed, and repairing the limestone paneled veneer, as needed, and cleaning the exterior building envelope of the Brown Building, Calhoun Building, Dennis Building, and the Wade Hampton Building.

Rationale: There is evidence of mortar deterioration in the veneer, which must be addressed to prevent moisture infiltration and further deterioration of the building envelope.

Facility Characteristics: The Brown Building is approximately 156,182 square feet and was constructed in 1972 (52 years old). The Calhoun Building is approximately 97,672 square feet and was constructed in 1926 (98 years old). The Dennis Building is approximately 247,573 gross square feet and was constructed in 1950 (74 years old). The Wade Hampton Building is approximately 121,141 square feet and was constructed in 1938 (86 years old). The Brown Building is utilized by Administrative Law Clerk, Attorney General, Commission for the Blind, Department of Public Safety, Department of Administration, Judicial Branch, Medical University of South Carolina, Parks, Recreation & Tourism, Secretary of State, State Board of Financial Institutions, Procurement Review Board, Senate and Education Oversight. The building is utilized by approximately 350 employees and various visitors daily. The Dennis 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. The Calhoun Building is utilized by SC Judicial Branch. The building is utilized by 190 employees and various visitors daily. The Wade Hampton Building is utilized by Commission on Prosecution Coordination, Governor's Office, Office of State Treasurer, Office of the Comptroller General, Department of Administration, Department of Agriculture, the State Fiscal Accountability Authority, Bureau of Protective Services and Adjutant General. The building is utilized by 275 employees and various visitors daily.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$5 million on July 1, 2024). 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: \$3,429,344 funded by Depreciation Reserve Funds. Contract execution is expected in January 2025 and completion of construction in October 2025.

(j) Project: JBRC Item 9: Department of Administration
D50.6040: Supreme Court – Waterproof Walls and Windows and Roof Repairs

Request: Increase Phase II Full Construction Budget and Revise Scope to replace the three sets of front lobby entrances and enhance ADA accessibility as requested by the Judicial Branch.

Included in CPIP: Yes – 2024 CPIP Priority 26 of 27 in FY25 (estimated at \$4,263,651)
Phase II Approval: September 2019 (estimated at \$2,599,445) (Admin.)
Phase II Increase & Revise Scope: May 2022 (estimated at \$3,546,488) (SFAA)
Phase II Increase: January 2023 (estimated at \$3,900,000) (Admin)
Decrease & Transfer: June 2024 (estimated at \$3,880,000) (Admin)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY20 Capital Reserve (1), (State-Owned Building Deferred Maintenance)	2,599,445	(20,000)	2,579,445		2,579,445
FY22 Appropriated State, Proviso 118.18 (B)(67), (Facilities Management Permanent Improvements)		161,719	161,719		161,719
FY22 Appropriated State, Proviso 118.18 (B)(67), (Facilities Management Permanent Improvements) (transfer from D50-6083)		353,512	353,512		353,512
FY25 Appropriated State				225,000	225,000
Other, Non-Departmental (transfer from D50-6003)		112,074	112,074		112,074
Other, FY19 Judicial Capital Reserve (38), (Supreme Court Security) (transfer from D50-6008)		165,740	165,740		165,740
Other, FY19 Judicial Capital Reserve (38), (Supreme Court Security)		341,987	341,987		341,987
Other, SCJB Development		165,523	165,523		165,523
All Sources	<u>2,599,445</u>	<u>1,280,555</u>	<u>3,880,000</u>	<u>225,000</u>	<u>4,105,000</u>

Summary of Work: The project was established to replace the windows at the Supreme Court building with ballistic windows to address water infiltration issues and to protect the Supreme Court Justices and staff housed in the facility. The project will also address the exterior wall and window waterproofing issues which includes: 1) Cleaning of exterior wall; 2) Tuck-pointing; 3) Limestone repairs; 4) Repair of embedded carbon steel elements in the limestone; 5) Miscellaneous removal or minor repairs to existing exterior elements. The project will also address repair needs as well as provide safety improvements at the roof of the building. The work will include repairs/modifications to the stainless-steel gutter liner that was installed in 2011-2012 as part of a new quartz zinc metal roof assembly and correct related construction deficiencies for which a settlement was received from the Surety. The work will also include installation of fall protection stations at the existing single ply membrane portion of the roof. New roof walkway protection pads will also be added at strategic locations to provide additional protection for the roof membrane. Minor repairs will also be done on the single-ply roof and submitted for warranty eligibility, which

expired in 2021. The revised scope of work will add the replacement of three sets of front entrance assemblies, installation of ADA hardware and push button access, and the installation of access control on one set of doors for use by staff.

Rationale: The windows are original to the building, have multiple leaks, and are not energy efficient. This project will require special attention to detail and preservation methods as well as some additional coordination and review with state and municipal authorization because the building is a National Register Property and City of Columbia Historic landmark building.

Facility Characteristics: The Supreme Court Building is approximately 51,006 square feet and was constructed in 1921 (103 years old). The windows are original to the building, the metal gutters were renovated in 2011, and the single ply roof was replaced in 2006. The work will address the Supreme Court Building Envelope, which includes approximately 21,370 square feet of exterior walls, 76 windows, and the approximately 17,600 square foot roof. The building is utilized by approximately 50 Judicial Branch staff and approximately 5,800 visitors a year.

Financial Impact: This increase will be funded from FY24 Appropriated State Funds (uncommitted balance \$13.35 million at July 1, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$4,105,000 funded by Capital Reserve, Appropriated State, Non-Departmental, Judicial Capital Reserve, and SCJB Development Funds. Construction completion is anticipated in June 2026.

(k) Project: JBRC Item 12: Office of the Adjutant General
E24.9854: RC/FMS Parking Improvements (Annualized)

Request: Increase Phase I Pre-Design Budget to add the design of the Anderson AADMC facility in this project to demo parking areas and reconstruct parking areas at various facilities across the state.

Included in CPIP: Yes – 2024 CPIP priority 10 of 20 FY25 (estimated at \$1,992,500)
Phase I Approval: January 2024 (estimated at \$681,000) (JBRC)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating	10,500		10,500	3,750	14,250
Federal, National Guard Bureau				3,750	3,750
All Sources	<u>10,500</u>		<u>10,500</u>	<u>7,500</u>	<u>18,000</u>

Summary of Work: This annualized project will demo what remains of the existing military (MIL) vehicle and/or Personally Owned Vehicle (POV) Parking Areas, either completely or in damaged areas, re-compact sub-grade, apply asphalt overlays and re-stripe. Additionally, additional authorized parking space to include new utilities and storm water fixtures, along with any required site work to include sidewalk removal to add ADA compliant parking spaces and ramps will be constructed. Depending on circumstances, and Readiness Center or Field Maintenance Shop where parking covers the existing potable water service line, this line maybe replaced due to the age and type of material. Work will be completed at various armories across the state with repairs occurring based on conditions. These armories are anticipated to be Fort Mill, Anderson, Camden, Field Maintenance Shop 11, Clinton, Chester, Greer, Manning, Walterboro, Andrews, West Columbia, and Moncks Corner. This phase of the project will address Fort Mill (previously approved), and Anderson.

Rationale: The paved parking areas at numerous armories are in disrepair and/or are in complete failure and cannot be utilized for assigned Military Equipment or Soldier or Public parking. Repairs and/or replacement of the parking surface will provide improved parking. The construction of the additional paved Organizational and/or POV Parking areas will provide the unit with an adequate area for parking its assigned Military Equipment or the additional POVs used by the Soldiers now assigned to the unit.

Facility Characteristics: After reconstruction and expansion, the Fort Mill Readiness Center motor pool space will be expanded to 2,380 square yards, and parking for privately owned vehicles will be expanded to 340 square yards. The readiness center parking is utilized by approximately 119 1222 Engineering Company staff/soldiers. After reconstruction and expansion, the Anderson Center org parking will be expanded to 9,783 square yards, and parking for non-org parking will be expanded to 6,206 square yards. The readiness center parking is utilized by approximately 223 Missile Defense and 119 Air Defense staff/soldiers.

Financial Impact: This increase will be funded from Appropriated State, Operating (uncommitted balance \$4 million at July 1, 2024), and Federal, National Guard Bureau Funds (uncommitted balance \$2.3 million at June 18, 2024). Revenue to the National Guard Bureaus Fund is identified as part of the Construction and Facilities Management Office’s Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in a decrease of \$300 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$2,052,250 (internal) for Fort Mill and Anderson, funded by Operating, and National Guard Bureau Funds. The total estimated cost to complete all 12 armories is \$9,482,250.

(I) Project: JBRC Item 13: Office of the Adjutant General
E24.9857: SCEMD Joint Operations Center Emergency Repairs

Request: Establish Phase II Full Construction Budget for an emergency project to repair damage sustained to the Pine Ridge Armory/SC Emergency Management Division building.

Included in CPIP: Yes – 2024 CPIP Priority 19 of 20 in FY25 (estimated at \$1,337,883)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				598,714	598,714
Federal, National Guard Bureau				598,713	598,713
All Sources				<u>1,197,427</u>	<u>1,197,427</u>

Summary of Work: This emergency project, which is also established under an emergency procurement, will repair and renovate the building. It will include electrical, mechanical, plumbing, and general contractor work.

Rationale: Due to a busted water line extensive flooding occurred on the first and second floor causing destruction and significant damage to facility infrastructure, furnishings, and supporting equipment. In the event of a state emergency (i.e., Winter Storms, Hurricanes, Floods, etc.), the Emergency Management Division, which serves as the State coordinating point for Statewide Emergency operations, would not be able to respond at full capacity or provide common operating space for multiple responding agencies as necessary.

Facility Characteristics: The SC Emergency Management Division Building is 60,629 square feet and was constructed in 1994 (30 years old). This project will make repairs and renovations to 35,000 square feet. The building is utilized by approximately 55+ State Employees, Federal Employees, and Active Guard members daily. It is utilized by approximately 200 individuals in an activated or state response.

Financial Impact: The project will be funded from Appropriated State, Operating (uncommitted balance \$3.23 million at November 8, 2023), and Federal, National Guard Bureau Funds (uncommitted balance is \$2.3 million at June 18, 2024). Revenue to the National Guard Bureau Fund is identified as part of the Construction and Facilities Management Office’s Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in an increase of \$400 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$1,197,427 funded by Appropriated State Operating and National Guard Bureau Funds. The construction contract was executed in January 2024 and construction completion is anticipated in August 2024.

(m) Project: JBRC Item 14: Office of the Adjutant General
E24.9793, Armory Revitalization (Annualized)

Request: Increase the Phase II Full Construction Budget to add funds for the construction of Wellford and Hartsville.

Included in CPIP: Yes – 2024 CPIP Priority 2 of 20 in FY25 (estimated at \$56,791,626)

Phase II Approval: November 2016 (estimated at \$10,500,000) (SFAA)

Phase II Increase Approval: September 2018 (estimated at \$13,500,000) (Admin.)

CSOF Approval: September 2018 (estimated at \$13,500,000) (JBRC Staff)

Phase II Increase Approval: December 2019 (estimated at \$19,600,000) (SFAA)

CSOF Approval: April 2020 (estimated at \$20,000,000) (Admin.)

Phase II Increase Approval: June 2020 (estimated at \$21,000,000) (SFAA)

Phase II Increase Approval: October 2020 (estimated at \$23,100,000) (SFAA)

Phase II Increase Approval: March 2021 (estimated at \$45,524,000) (SFAA)

Phase II Increase Approval: April 2022 (estimated at \$41,000,000) (SFAA)

Phase II Increase Approval: June 2023 (estimated at \$44,141,626) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY16 Capital Reserve (40), (Armory Revitalizations)	5,000,000		5,000,000		5,000,000
FY19 Capital Reserve (7), (Armory Revitalizations)		3,000,000	3,000,000		3,000,000
FY20 Appropriated State, Proviso 118.16(B)(18)(b), (Armory Construction and Revitalizations)		3,050,000	3,050,000		3,050,000
FY22 Appropriated State, Proviso 118.18(B)(69)(b), (Armory Revitalization)		2,000,000	2,000,000		2,000,000
FY23 Appropriated State, Proviso 118.19(B)(74)(a), (Armory Revitalization Funding)		608,513	608,513	804,687	1,413,200
FY22 Appropriated State, Carryforward		6,500,000	6,500,000		6,500,000
FY24 Appropriated State, Proviso 118.19(B)(63)(b), (Armory Revitalizations)				4,499,999	4,499,999
Federal, National Guard Bureau	5,500,000	16,374,600	23,483,113	5,036,669	28,519,782
Other, FY20 Armory Main		500,000	500,000		500,000
All Sources	<u>10,500,000</u>	<u>32,033,113</u>	<u>44,141,626</u>	<u>10,341,355</u>	<u>54,482,981</u>

Summary of Work: The project was established to complete significant repairs at ten (10) Readiness Centers (aka; Armories) that are in the worst conditions of disrepair of the 63 RCs and are chosen based on the A/E's assessment/design. The centers include Greenwood, Lancaster, Greenville, Florence, Sumter, Laurens, Union, Hartsville, Easley and Wellford. Each of these facilities has varying issues that need to be repaired or renovated, but the major cost

items include 1) Roof replacement or repairs. Roofs will be replaced at Florence, Sumter, Easley, Laurens, Union, and Hartsville because each roof is approximately 40+ years old. Five armories have built-up bituminous roofing systems and two have standing seam metal roofs and all will be replaced with the same roofing material. All roofs will come with a minimum 20-year material and workmanship warranty. 2) HVAC systems maintenance and/or repairs. 3) Replacing existing exterior windows, doors, and storefront systems. 4) Interior renovations of latrines, kitchen, lighting, fire suppression, carpeting/flooring, painting of interior & exterior walls. 5) Electrical system upgrades. 6) Site improvements and repairs of parking lots, stormwater systems, security fencing, security lighting. 7) Foundation, structure, and exterior wall repairs.

- Rationale:** In most cases, items require replacement since they have exceeded their service life. In accordance with Federal law, the State of South Carolina is obligated to the National Guard Bureau to provide operation and maintenance funding for those facilities if there is a federally recognized unit assigned to the facilities.
- Facility Characteristics:** Each armory is 45,000 to 65,000 square feet and was constructed in 1970 (54 years old). The agency has relocated and/or consolidated force structure to other RCs and closed the sub-standard RCs that could be closed. Each armory will be utilized by 300+ National Guardsman statewide.
- Financial Impact:** This increase will be funded with FY23 Appropriated State (nonrecurring) (uncommitted balance \$804K at June 18, 2024), FY24 Appropriated State (nonrecurring) (uncommitted balance \$4.5 million at June 18, 2024), and Federal, National Guard Bureau (project) Funds (uncommitted balance \$10.5 million at June 18, 2024). Revenue to the National Guard Bureau Fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The project is expected to result in an increase of \$6,000 (years 1 thru 3), in annual operating expenditures.
- Full Project Estimate:** \$54,482,981 funded by Capital Reserve, Appropriated State, National Guard Bureau and Armory Maintenance Funds. Construction completion for Laurens is expected in October 2024. Construction completion for Union is expected in December 2024. Contract execution for Wellford and Hartsville is expected in August 2024 and completion of construction in August 2025.
- Other:** 6 of 10 facilities (Greenwood/Lancaster/Greenville/Florence/Sumter/Easley) have been completed.

(n) Project: JBRC Item 15: Office of the Adjutant General
E24.9838: UTES CHP OP Line Units Replacement

Request: Increase Phase II Full Construction Budget and Revise Scope to add a metal canopy over the Controlled Humidity Preservation Lines.

Included in CPIP: Yes – 2024 CPIP Priority 17 of 20 in FY25 (estimated at \$1,905,000)
Phase II Approval: August 2022 (estimated at \$839,950) (JBRC)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	839,950		839,950	1,905,000	2,744,950
All Sources	<u>839,950</u>		<u>839,950</u>	<u>1,905,000</u>	<u>2,744,950</u>

Summary of Work: The project was established to replace the existing Controlled Humidity Preservation (CHP) Operational Preservation (OP) Line Systems located at the SC Army National Guard’s Unit Training Equipment Site at the McCrady Training Center on Fort Jackson. This includes replacing SATS ADU-300-40 units on OP lines 1 thru 10, and the Munters ADU-300 on OP line 11, with an IAT 300RE unit. The ADU-600 units on OP lines 12 thru 15 will be replaced with IAT 600RE units. Unit replacement includes new controls for timed operation (no networking) and new air distribution ducting to replace the old PVC with metal duct on lines 4 thru 10. All flex hoses and CARS will be replaced. The additional scope will install a metal canopy over the Controlled Humidity Preservation Lines.

Rationale: The equipment is used to preserve Federally Owned Armored Vehicles (Tanks, Artillery, IFVs, etc.) located at the Unit Training Site by reducing the humidity inside them to reduce corrosion. This suspends the vehicles from the standard maintenance cycle, therefore reducing the number of mechanic man-hours required. The CHP OP Line Systems have reached the end of their life cycle, and repair parts are becoming unavailable.

Facility Characteristics: The existing CHP OP Line Systems were installed in 2002 (22 years old). The OP Line Systems are located on concrete parking pads outside the UTES Building.

Financial Impact: The project will be funded from Federal, National Guard Bureau Funds (uncommitted balance \$2.3 million at June 18, 2024). Revenue to the fund is identified as part of the Construction and Facilities Management Office’s Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in an increase of \$29,389 (year 1), \$30,859 (year 2), and \$32,402 (year 3), in annual operating expenses.

Full Project Estimate: \$2,744,950 funded by National Guard Bureau Funds. Contract execution is expected in September 2024 and completion of construction in January 2025.

(o) Project: JBRC Item 16: Vocational Rehabilitation Department
H73.9627: Marlboro VR Center Repaving

Request: Establish Phase II Full Construction Budget to repair and resurface the existing parking lot and loading area

Included in CPIP: Yes – 2024 CPIP Priority 1 of 3 in FY25 (estimated at \$718,400)
Phase I Approval: June 2024 (estimated at \$718,400) (JBRC)

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)(25), (Marlboro VR Center Paving)				179,600	179,600
Federal, Vocational Rehabilitation Services Grant	15,000		15,000	1,148,580	1,163,580
All Sources	<u>15,000</u>		<u>15,000</u>	<u>1,328,180</u>	<u>1,343,180</u>

Summary of Work: The project will repair and resurface the existing parking lot and loading area. Subsurface investigations will be required to determine the depth and extent of deterioration of the existing paving prior to resurfacing. Exterior lighting will also be added to the parking areas for increased safety and security.

Rationale: The existing parking lot needs repair and resurfacing.

Facility Characteristics: The Marlboro Vocational Rehabilitation (VR) Center is 24,100 square feet and was constructed in 1988 (36 years old). The existing parking totals 9,200 square yards. This is an Area Office which provides vocational rehabilitation services to individuals with a wide range of disabilities. The goal of these services is to prepare and assist eligible citizens with disabilities to achieve and maintain competitive employment. The center is utilized by 24 staff and 45 to 50 consumers.

Financial Impact: This phase of the project will be funded from FY24 Appropriated State (nonrecurring) (uncommitted balance \$179K at June 19, 2024), and Federal, Vocational Rehabilitation Services Grant Funds (uncommitted balance \$26 million at June 19, 2024). The Vocational Rehabilitation Services Grant Funds are received to be used for the provision of VR services. The project is expected to result in an increase of \$400 (year 1), and \$1,200 (years 2 thru 3), in annual operating expenditures.

Full Project Estimate: \$1,343,180 funded by Appropriated State (nonrecurring) and Vocational Rehabilitation Services Grant Funds. The estimated cost to complete the project has increased from the Phase I submission and the 2024 CPIP because the unit costs for the asphalt and concrete paving are much higher in Marlboro, as well as the engineers are anticipating poor soil conditions based on their experience in this area. Contract execution is expected in October 2024 and completion of construction in February 2025.

(p) Project: JBRC Item 26: Department of Corrections
N04.9801: RNG (Renewable Natural Gas) Project

Request: Establish Phase I Pre-Design Budget to allow the agency to partner with GreenGas to explore options to develop a Renewable Natural Gas project at the Wateree Correctional facility.

Included in CPIP: Yes – 2024 CPIP Priority 6 of 8 in FY26 (estimated at \$8,000,000)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, GreenGas USA				300,000	300,000
All Sources				<u>300,000</u>	<u>300,000</u>

Summary of Work: The project will allow GreenGas USA to lease an area at the Wateree Correctional Institution and install and operate one or more tank based anaerobic digesters at Wateree River Farms with a total digester capacity of approximately 1 million gallons. The anaerobic digesters will process the Feedstock Material which utilizes Dairy manure and up to 35,000 tons of food waste per year, as well as other feedstock sources that may be in close proximity to the facility.

Rationale: The anaerobic digesters on the leased shall permit GreenGas USA to capture and process raw gas generated by the facility’s on-site dairy manure and food waste for the purpose of upgrading and processing the Raw Gas into saleable renewable natural gas. This RNG will be introduced into the SC Natural Gas Pipeline.

Facility Characteristics: The new facility will be approximately 78,408 square feet on 1.8 acres.

Financial Impact: The project will be fully funded from Other, GreenGas USA Funds (\$14.5 million committed at July 11, 2024). GreenGas will pay a proposed \$100K annually for use of the property for a contract term of 20 years. GreenGas will share 50% of net project profits with the Department of Corrections, starting Year 1 for the 20-year contract term. The profit share will be net of a capital recovery charge that provides GreenGas with recovery of and minimum return on capital.

Full Project Estimate: \$14,500,000 funded by GreenGas USA.

(q) Project: JBRC Item 28: Department of Juvenile Justice
N12.9621: HVAC R22 Replacement

Request: Increase Phase II Full Construction Budget and Revise Scope to replace HVAC systems in facilities statewide

Included in CPIP: Yes – 2024 CPIP 10 of 14 in FY25 (estimated at \$2,000,000)
Phase II Approval: April 2022 (estimated at \$1,476,363) (Admin)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY22 Appropriated State, Proviso 118.18 (B)(50)(c), (HVAC Replacement)	1,476,363		1,476,363	523,637	2,000,000
Federal, ARP ESSER				175,000	175,000
All Sources	<u>1,476,363</u>		<u>1,476,363</u>	<u>698,637</u>	<u>2,175,000</u>

Summary of Work: The project was established to replace existing HVAC systems in the following facilities statewide: Birchwood Science/Gym, Birchwood Vocational, John G. Richards Gym, Palmetto, Willow Lane Girls Transition Home, Evergreen, The Juvenile Detention Center, Palmetto Annex, Building 2007, and the Midland Evaluation Center's Pearl unit. The revised scope will add the replacement of four (4) additional housing units on the Broad River Road Campus, Holly, Maple, Poplar, and Cypress. These units were not included in the original scope due to use of a newer refrigerant.

Rationale: The HVAC units being replaced operate on R22 freon and the R22 freon component is no longer in production making repairs and maintenance more expensive over the long term. The current HVAC units are reaching the end of their service lives and need replacement.

Facility Characteristics: The fourteen (14) facilities total 135,372 square feet and were constructed between 2002 (22 years old) and 2009 (15 years old). The facilities in this project are utilized by 159 faculty/staff, plus security, and 337 youth.

Financial Impact: This increase will be funded from FY22 Appropriated State (nonrecurring) (uncommitted balance \$523K at May 28, 2024), and Federal, ARP ESSER (\$307K awarded at May 28, 2024). The ARP ESSER funds were received from the American Rescue Plan Act that was signed into law. These funds are provided to state educational agencies and school districts to help safely reopen and sustain the safe operation of schools and address the impact of the coronavirus pandemic on the nation's students. The project is expected to result in a decrease of \$20,000 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$2,175,000 funded by FY22 Appropriated State (nonrecurring), and ARP ESSER Funds. Construction completion is anticipated in December 2025.

(r) Project: JBRC Item 30: Department of Natural Resources
P24.6052: Beaufort – Waddell Mariculture Maturation Ponds Maintenance

Request: Increase Phase II Full Construction Budget to renovate the maturation ponds at the Waddell Mariculture Center in Bluffton.

Included in CPIP: Yes – 2024 CPIP Priority 10 of 62 in FY25 (estimated at \$7,584,800)

Phase II Approval: December 2021 (estimated at \$3,500,000) (Admin)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY22 Appropriated State, Proviso 118.18 (B)(52)(f), (Waddell Fish Hatchery – Deferred Maint./Upgrades)	3,500,000		3,500,000		3,500,000
FY23 Appropriated State, Proviso 118.19 (B)(44)(g), (Infrastructure Needs)				1,088,000	1,088,000
Other – Marine Resources, Saltwater Fishing License				2,996,800	2,996,800
All Sources	<u>3,500,000</u>		<u>3,500,000</u>	<u>4,084,800</u>	<u>7,584,800</u>

Summary of Work: The project will address re-contouring the existing ponds to allow for replicated research. Repairs include concrete water control structures, basins, walkways, pond liners, electrical upgrades, pond pipes and valve replacements. The project will also renovate the saltwater/freshwater holding tower that allows for gravity flow of water to hatchery, ponds, outdoor tank systems, and greenhouse systems. This will include inflow and outflow pipes, valves, refurbishment of the saltwater and freshwater compartments and the addition of valves to allow the flushing of sediment from the tower. The current maturation building will be deconstructed and replaced with a 2,000 square foot pole barn set over the existing foundation for outdoor tanks. A greenhouse system will be added to provide thermal stability in cold months to allow flounder to be grown outside. IT infrastructure will be installed allowing remote monitoring of ponds. The additional funds being added to the project will allow additional ponds to be renovated.

Rationale: This project will allow for replicated research, gravity flow of water to hatchery, ponds, outdoor tank systems, and greenhouse systems. The valves to allow the flushing of sediment will reduce buildup that leads to water loss from leaks. The greenhouse system will provide thermal stability in cold months to allow flounder to be grown outside. The IT infrastructure portion will allow for automatic data recording and alerts to be sent if water quality parameters are outside safe ranges for fish.

Facility Characteristics: The Maturation Building is 2,000 square feet and along with the current Waddell Mariculture Center Hatchery was constructed in 1984 (40 years old). The Hatchery supports the agency’s Marine Resources Research and Monitoring - Flounder Restocking Program and is utilized by 10 staff on a daily basis.

Financial Impact: This increase will be funded from FY23 Appropriated State (nonrecurring) Funds (uncommitted balance \$8.45 million at June 14, 2024), and Other, Marine Saltwater Fishing License Funds (uncommitted balance \$4.55 million at June 14, 2024). Revenue received for the Marine Resources; Saltwater Fishing Licenses is received from the sale of recreational fishing licenses. The project is expected to result in an increase of \$2,500 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$7,584,800 funded by Appropriated State (nonrecurring) and Marine Resources, Saltwater Fishing License Funds. Contract execution is expected in October 2024 with construction completion in September 2025.

(s) Project: JBRC Item 31: Department of Natural Resources
P24.6097: Marion-Marsh WMA Land Acquisition (Waterfront Preservation)

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-491 acres in Marion County.

Included in CPIP: Yes – 2024 CPIP Priority 45 of 62 in FY25 (estimated at \$640,000)

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)(37)(b), (Habitat Protection and Land Conservation Acquisitions)				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: Acquisition of the property would protect property along the Pee Dee River that provides riparian, wetland, and aquatic habitats, floodwater storage, flood-flow attenuation, and water quality improvement functions. Protection of the property would enhance and expand the protection of riparian and aquatic habitats. The property adjoins Marsh Wildlife Management Area and will be open to the public for recreation.

Characteristics: The tract is on the Pee Dee River floodplain. Ninety percent of the property is palustrine-wetland habitat and located within a Flood Hazard Area, 100-year floodplain. The property borders 0.7 miles of the Pee Dee River and several sections of stream (portions of the Bull Swamp/Mulyn Creek system) run from NW to SE across the property.

Financial Impact: The property is offered by Waterfront Preservation Foundation, Inc. of Mt. Pleasant, SC for the proposed purchase price of \$980,000. The due diligence activities will be funded from FY24 Appropriated State (nonrecurring) Funds (uncommitted balance \$12.84 million at June 19, 2024). The project is expected to result in an increase of \$10,000 (year 1), and \$5,000 (years 2 thru 3), in annual operating expenditures.

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

Other: The South Carolina Department of Natural Resources has coordinated and collaborated with the South Carolina Conservation Bank to confirm that the proposed conservation land acquisition of this property is an appropriate conservation purchase and will maximize the most cost-effective use of funds appropriated or authorized by the General Assembly in the proposed purchase.

(t) Project: JBRC Item 36: Department of Natural Resources
P24.6108: Horry - Lewis Ocean Bay HP Land Acquisition (CMC)

Request: Establish Final Land Acquisition to purchase +/-353 acres of land in Horry County.

Included in CPIP: Yes – 2024 CPIP Priority 41 of 62 in FY25 (estimated at \$9,568,000)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY25 Appropriated State, Proviso 118.20 (B)(37)(c), (Habitat Protection and Land Conservation)				9,558,000	9,558,000
All Sources				<u>9,558,000</u>	<u>9,558,000</u>

Rationale: The acquisition of the property will protect similar habitats that exist on Lewis Ocean Bay Heritage Preserve (LOBHP) containing pine savannas and blackwater swamp forests. There are several element of occurrence records for the federal At-Risk and globally imperiled Venus flytrap (*Dionaea muscipula*). The abundance and range of Venus flytrap has been decimated by fire suppression and land conversion. It is now known from only a few populations in the world – two populations in Horry County, SC and in a few coastal counties of NC. The largest population of Venus flytrap in the state of South Carolina is found centered at Lewis Ocean Bay HP and is the only population within the state that is considered to have long-term viability. The species is thought to be extirpated from Georgetown and Berkeley counties because of fire suppression and land use changes. Once acquired, the property will be open to the public for outdoor recreational activities and will be incorporated as part of the LOBHP.

Characteristics: The property is across International Drive from Lewis Ocean Bay Heritage Preserve, just north of the Carolina Forest community. A portion of Socastee Swamp runs through the property.

Financial Impact: The property is offered by Conway Hospital, Inc. for \$9,538,000. The acquisition will be funded from FY25 Appropriated State (nonrecurring) Funds (uncommitted balance \$10 million at August 1, 2024). The project is expected to result in an increase of \$10,000 (year 1), and \$5,000 (years 2 thru 3), in annual operating expenditures. An appraisal was completed in February 2024 and valued the property at \$9,538,000. A Phase I Environmental Site Assessment was completed in July 2024 and revealed evidence of a recognized environmental condition in connection with the property. The assessment concluded that the southwest portion of the property is within the expanded investigation area of Range III in the former Conway Bombing and Gunnery Range and has not been screened for Munitions and Explosives of Concern (MEC). Because the potential presence of MEC or associated materials cannot be ruled out, this portion of the property’s past use as Conway Bombing and Gunnery Range III Safety Zone is considered a recognized environmental condition. Back in May 2018 a Remedial Investigation Report on the Former Conway Bombing and Gunnery Range was completed for the U.S. Army Corps of Engineers and concluded that any munitions related hazards were cleared by a private landowner funded operation. SCDHEC concurred with the No DoD Action Indicated (NDAI) recommendation. A Phase II Assessment is not recommended at this time. A Building Condition Assessment is not required because there are no buildings located on the property. Letters of support are not required because the property is owned by a nonprofit organization.

Full Project Estimate: \$9,558,000 funded by FY25 Appropriated State (nonrecurring) Funds. Funds.

Other: The South Carolina Department of Natural Resources has coordinated and collaborated with the South Carolina Conservation Bank to confirm that the proposed conservation land acquisition of this property is an appropriate conservation purchase and will maximize the most cost-effective use of funds appropriated or authorized by the General Assembly in the proposed purchase.

(u) Project: JBRC Item 37: Department of Parks, Recreation & Tourism
P28.9851: Dearborn New Park Development

Request: Establish Phase I Pre-Design Budget to develop a state park on Dearborn Island in Chester.

Included in CPIP: Yes – 2024 CPIP Priority 26 of 37 in FY25 (estimated at \$2,013,589)

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)(45)(k), (State Park Enhancements)				30,204	30,204
All Sources				<u>30,204</u>	<u>30,204</u>

Summary of Work: This project will consist of site development, new construction, interior renovations to existing facilities, utilities, and landscaping. The multifaceted project will blend nature and history. The new park will feature hiking and biking trails with scenic viewpoints, as well as white water and flat-water paddling opportunities. All roof material options will be considered during the Phase I process.

Rationale: According to the agency, Dearborn Island State Park will boost tourism and stimulate the local economy by offering diverse recreational activities. With hiking, biking, and paddling options, the park will draw visitors seeking outdoor adventures. These attractions will support nearby businesses and create jobs, contributing to the economic vitality of the region. The project aligns with the goal of fostering sustainable tourism while preserving the natural and cultural heritage of the area.

Facility Characteristics: The historic structure located on the property was constructed in 1910 (114 years old). Total square footage of any new facilities will be determined upon assessment of existing facilities and completion of planning and design. New facilities may be constructed to provide necessary staff and visitor amenities. The new park is estimated to have over 10 million state park visitors annually.

Financial Impact: This phase of the project will be funded from FY23 Appropriated State Funds (non-recurring) (uncommitted balance is \$3.14 million at March 30, 2024). The project is expected to result in an increase of \$10,000 (years 1 thru 3), in annual operating expenditures

Full Project Estimate: \$2,013,589 (internal). Phase II will be funded by \$3,147,000 in Appropriated State (nonrecurring), and \$120,864 in Duke Energy Funds.

(v) Project: JBRC Item 39: Department of Parks, Recreation & Tourism
P28.9824: Huntington Beach Boardwalk - Hurricane Ian Repairs

Request: Increase Phase II Full Construction Budget remove and replace the boardwalk at Huntington Beach State Park.

Included in CPIP: No – The project was not included in the 2024 CPIP because the need for the increase was unknown at the time of the 2024 CPIP submission.

Phase I Approval: May 2023 (estimated at \$500,000) (JBRC)

Phase II Approval: August 2023 (estimated at \$806,361.84) (JBRC)

Change Source of

Funds Approval: May 2024 (estimated at \$806,361.84) (Admin)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, FEMA		344,036	344,036		344,036
Other, Park Revenue	7,500	40,147	47,647	416,937	464,584
Other, Insurance Reserve		300,000	300,000		300,000
Other, FEMA Match		114,679	114,679		114,679
All Sources	<u>7,500</u>	<u>798,862</u>	<u>806,362</u>	<u>416,937</u>	<u>1,223,299</u>

Summary of Work: The project will remove the damaged boardwalk and construct a new boardwalk in its place. The existing small damaged three-tab asphalt shingle roof covering the wildlife viewing area will be replaced with either three-tab asphalt shingles or a metal roof. The new roof will come with a minimum 20-year material and workmanship warranty. The additional funds being added will cover additional cost to repair a larger section of the boardwalk, as well as the overlook because the very end of the boardwalk was lost after another storm.

Rationale: The March boardwalk sustained damage during Hurricane Ian which include the loss of various sections of decking, hand-railing and support beams. It has been deemed unsafe and is closed to the public.

Facility Characteristics: The existing boardwalk is 5,700 square feet and was constructed in 1991 (32 years old). The new boardwalk to be constructed will be the same footprint (5,700 square feet), of the existing boardwalk. The agency is currently in negotiations with FEMA on possibly raising the height of the boardwalk, however the length and width will be same as before. The boardwalk is used by approximately 1.1 million visitors annually.

Financial Impact: This increase will be funded from Other, Park Revenue Funds (uncommitted balance \$9.19 million at June 19, 2024). Park Revenues are derived from operating revenue generated by the State Park System. The fund collects fees for admission, camping, lodging, and other fees charged for the use of recreational facilities and programs. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,223,299 funded by FEMA and Insurance Reserve, Park Revenue, Insurance Reserve, and FEMA Match Funds. Contract execution is expected in September 2024 and completion of construction in July 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Department of Natural Resources – Jasper-Coosawhatchie-HP Land Acquisition Part II (OSI)

The Authority is asked to approve the following permanent improvement project establishment request and budget revision as requested by the Department of Administration, Executive Budget Office as noted herein. This item was reviewed favorably by the Joint Bond Review Committee (JBRC).

- (a) Project: JBRC Item 34: Department of Natural Resources
 P24.6084: Jasper-Coosawhatchie HP Land Acquisition Part II (OSI)
- Request: Establish Final Land Acquisition to purchase +/-1,275 acres of land in Jasper County.
- Included in CPIP: Yes – 2024 CPIP Priority 42 of 62 in FY25 (estimated at \$3,870,000)
- Phase I Approval: October 2023 (estimated at \$3,870,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USFS Forest Legacy	20,000		20,000	3,020,000	3,040,000
Other, Heritage Land Trust				805,000	805,000
All Sources	<u>20,000</u>		<u>20,000</u>	<u>3,825,000</u>	<u>3,845,000</u>

Rationale: The acquisition of the property will expand a Heritage Preserve/Wildlife Management Area for the public to engage in outdoor recreational activities such as for big and small game hunting. Also, activities to promote bobwhite quail restoration, recruitment of red-cockaded woodpeckers and the expansion of gopher tortoise populations will be undertaken. If the property is acquired, it will be managed as part of the new Coosawhatchie Heritage Preserve/Wildlife Management Area.

Characteristics: The property is approximately eight miles north of Ridgeland west of Interstate 95. It adjoins the west side of a 3,507-acre tract recently acquired by DNR and the east side of a 398-acre tract (project P24-6085)

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Department of Natural Resources – Jasper-Coosawhatchie-HP Land Acquisition Part II (OSI)

proposed for acquisition by DNR. The property is comprised of upland mixed pine, hardwoods, sand ridges, open areas, and wetlands. Approximately 68 priority plant and animal species are known or expected to occur in the area.

Financial Impact: The property is offered by Open Space Institute Land Trust for \$3,825,000. The acquisition will be funded from Federal, Forest Legacy Administrative Grant (uncommitted balance \$3.97 million on May 31, 2024), and Other, Heritage Land Trust Funds (uncommitted balance \$33.50 million at May 31, 2024). Revenue received from the USFS Forest Legacy Grant is authorized by the Cooperative Forestry Assistance Act of 1978 as amended by the 1990 Farm Bill Section 1217 of Title XII of the Food, Agriculture, Conservation and Trade Act of 1990, and is to protect environmentally important forest areas that are threatened by conversion to non-forest uses. Revenue to the Heritage Land Trust Fund is authorized by SC Code 51-17-115 and provides for the department to use Heritage Land Trust Funds to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. The project is expected to result in an increase of \$10,000 (year 1), \$25,000 (year 2), and \$5,000 (year 3), in annual operating expenditures. An appraisal was completed in March 2024 and valued the property at \$5,820,000. A Phase I Environmental Site Assessment was completed in June 2024 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment is not required because there are no buildings located on the property. Letters of support are not required because the property is owned by a nonprofit organization.

Full Project Estimate: \$3,845,000 funded by Forest Legacy Administrative Grant and Heritage Land Trust Funds.

Other: The South Carolina Department of Natural Resources has coordinated and collaborated with the South Carolina Conservation Bank to confirm that the proposed conservation land acquisition of this property is an appropriate conservation purchase and will maximize the most cost-effective use of funds appropriated or authorized by the General Assembly in the proposed purchase

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Department of Natural Resources – Jasper-Coosawhatchie-HP Land Acquisition Part II (OSI)

AUTHORITY ACTION REQUESTED:

As requested by the Department of Natural Resources (DNR) through the Department of Administration, Executive Budget Office, approve the Permanent Improvement Project for the Jasper-Coosawhatchie HP Land Acquisition Part II (OSI); and as requested by DNR approve an expenditure of \$805,000 from the Heritage Land Trust Fund pursuant to Section 51-17-115 toward the acquisition of land described in Permanent Improvement Project 6084.

ATTACHMENTS:

Agenda item worksheet and attachment

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: **August 27, 2024**

Regular Agenda

1. Submitted By:

(a) Agency: Department of Administration

(b) Authorized Official Signature:

Kevin Etheridge

 Kevin Etheridge, Executive Budget Office

2. Subject:

Department of Natural Resources – Jasper-Coosawhatchie-HP Land Acquisition Part II (OSI)

3. Summary Background Information:

- (a) Project: JBRC Item 34: Department of Natural Resources
 P24.6084: Jasper-Coosawhatchie HP Land Acquisition Part II (OSI)
- Request: Establish Final Land Acquisition to purchase +/-1,275 acres of land in Jasper County.
- Included in CPIP: Yes – 2024 CPIP Priority 42 of 62 in FY25 (estimated at \$3,870,000)
 Phase I Approval: October 2023 (estimated at \$3,870,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USFS Forest Legacy	20,000		20,000	3,020,000	3,040,000
Other, Heritage Land Trust				805,000	805,000
All Sources	<u>20,000</u>		<u>20,000</u>	<u>3,825,000</u>	<u>3,845,000</u>

Rationale: The acquisition of the property will expand a Heritage Preserve/Wildlife Management Area for the public to engage in outdoor recreational activities such as for big and small game hunting. Also, activities to promote bobwhite quail restoration, recruitment of red-cockaded woodpeckers and the expansion of gopher tortoise populations will be undertaken. If the property is acquired, it will be managed as part of the new Coosawhatchie Heritage Preserve/Wildlife Management Area.

Characteristics: The property is approximately eight miles north of Ridgeland west of Interstate 95. It adjoins the west side of a 3,507-acre tract recently acquired by DNR and the east side of a 398-acre tract (project P24-6085) proposed for acquisition by DNR. The property is comprised of upland mixed pine, hardwoods, sand ridges, open areas, and wetlands. Approximately 68 priority plant and animal species are known or expected to occur in the area.

Financial Impact: The property is offered by Open Space Institute Land Trust for \$3,825,000. The acquisition will be funded from Federal, Forest Legacy Administrative Grant (uncommitted balance \$3.97 million on May 31, 2024), and Other, Heritage Land Trust Funds (uncommitted balance \$33.50 million at May 31, 2024). Revenue received from the USFS Forest Legacy Grant is authorized by the Cooperative Forestry Assistance Act of 1978 as amended by the 1990 Farm Bill Section 1217 of Title XII of the Food, Agriculture, Conservation and Trade Act of 1990, and is to protect environmentally important forest areas that are threatened by conversion

to non-forest uses. Revenue to the Heritage Land Trust Fund is authorized by SC Code 51-17-115 and provides for the department to use Heritage Land Trust Funds to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. The project is expected to result in an increase of \$10,000 (year 1), \$25,000 (year 2), and \$5,000 (year 3), in annual operating expenditures. An appraisal was completed in March 2024 and valued the property at \$5,820,000. A Phase I Environmental Site Assessment was completed in June 2024 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment is not required because there are no buildings located on the property. Letters of support are not required because the property is owned by a nonprofit organization.

Full Project Estimate: \$3,845,000 funded by Forest Legacy Administrative Grant and Heritage Land Trust Funds.

Other: The South Carolina Department of Natural Resources has coordinated and collaborated with the South Carolina Conservation Bank to confirm that the proposed conservation land acquisition of this property is an appropriate conservation purchase and will maximize the most cost-effective use of funds appropriated or authorized by the General Assembly in the proposed purchase

4. What is SFAA asked to do?

Consider approval of the Final Land Acquisition.

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

The item is complete and ready for SFAA review.

6. List of Supporting Documents:

1. Permanent Improvement Project Jasper-Coosawhatchie HP Land Acquisition Part II (OSI)

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Department of Natural Resources – Jasper-Coosawhatchie-HP Land Acquisition Part III (TNC)

The Authority is asked to approve the following permanent improvement project establishment request and budget revision as requested by the Department of Administration, Executive Budget Office as noted herein. This item was reviewed favorably by the Joint Bond Review Committee (JBRC).

(a) Project: JBRC Item 35: Department of Natural Resources
 P24.6085: Jasper-Coosawhatchie HP Land Acquisition Part III (TNC)

Request: Establish Final Land Acquisition to purchase +/-398 acres of land in Jasper County.

Included in CPIP: Yes – 2024 CPIP Priority 43 of 62 in FY25 (estimated at \$2,690,000)
 Phase I Approval: October 2023 (estimated at \$2,2690,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USFS Forest Legacy	20,000		20,000	935,000	955,000
Other, Heritage Land Trust				1,392,137	1,392,137
Other, Fish & Wildlife Protection (Deer)				150,000	150,000
Other, Fish & Wildlife Protection (Timber)				150,000	150,000
All Sources	<u>20,000</u>		<u>20,000</u>	<u>2,627,137</u>	<u>2,647,137</u>

Rationale: The acquisition of the property will expand a Heritage Preserve/Wildlife Management Area for the public to engage in outdoor recreational activities such as for big and small game hunting. Also, activities to promote bobwhite quail restoration, recruitment of red-cockaded woodpeckers and the expansion of gopher tortoise populations will be undertaken. If the property is acquired, it will be managed as part of the new Coosawhatchie Heritage Preserve/Wildlife Management Area.

Characteristics: The property is approximately eight miles north of Ridgeland west of Interstate 95. It adjoins the east side Possum Corner Road and the west side of a 1,205-acre parcel (project P24-6084) proposed for acquisition by DNR. The property is comprised of upland mixed pine, hardwoods, sand ridges, open areas, and wetlands. Approximately 68 priority plant and

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Department of Natural Resources – Jasper-Coosawhatchie-HP Land Acquisition Part III (TNC)

animal species are known or expected to occur in the area.

Financial Impact: The property is offered by The Nature Conservancy for \$2,627,137. The acquisition will be funded from Federal, Forest Legacy (uncommitted balance \$3.97 million at May 31, 2024), Other, Heritage Land Trust (uncommitted balance \$33.50 million at May 31, 2024), Other, Fish & Wildlife Protection (Deer) (uncommitted balance \$1.35 million at May 31, 2024), and Fish & Wildlife Protection (Timber) (uncommitted balance \$1.70 million at June 19, 2024). Revenue received from the USFS Forest Legacy Grant is authorized by the Cooperative Forestry Assistance Act of 1978 as amended by the 1990 Farm Bill Section 1217 of Title XII of the Food, Agriculture, Conservation and Trade Act of 1990, and is to protect environmentally important forest areas that are threatened by conversion to non-forest uses. Revenue to the Heritage Land Trust Fund is authorized by SC Code 51-17-115 and provides for the department to use Heritage Land Trust Funds to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. Revenue to the Fish & Wildlife Protection (Deer) Fund is derived income from timbers harvests on DNR lands. Revenue from this source must be expended by DNR for the protection, promotion, propagation, and management of freshwater fisheries and wildlife, the enforcement of related laws, the administration of the department, and the dissemination of information, facts, and findings the department considers necessary. Revenue to the Fish and Wildlife Protection (Timber) Fund is derived income from timbers harvests on DNR lands. Revenue from this source must be expended by DNR for the protection, promotion, propagation, and management of freshwater fisheries and wildlife, the enforcement of related laws, the administration of the department, and the dissemination of information, facts, and findings the department considers necessary. The project is expected to result in an increase of \$5,000 (years 1 thru 3), in annual operating expenditures. An appraisal was completed in March 2024 and valued the property at \$2,935,000. A Phase I Environmental Site Assessment was completed in June 2024 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment is not required because there are no buildings located on the property. Letters of support are not required because the property is owned by a nonprofit organization.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Department of Natural Resources – Jasper-Coosawhatchie-HP Land Acquisition Part III (TNC)

Full Project Estimate: \$2,647,137 funded by USFS Forest Legacy Administrative Grant, Heritage Land Trust, Fish & Wildlife Protection (Timber), and Fish & Wildlife Protection (Deer) Funds.

Other: The South Carolina Department of Natural Resources has coordinated and collaborated with the South Carolina Conservation Bank to confirm that the proposed conservation land acquisition of this property is an appropriate conservation purchase and will maximize the most cost-effective use of funds appropriated or authorized by the General Assembly in the proposed purchase

AUTHORITY ACTION REQUESTED:

As requested by the Department of Natural Resources (DNR) through the Department of Administration, Executive Budget Office, approve the Permanent Improvement Project for the Jasper-Coosawhatchie-HP Land Acquisition Part III (TNC); and as requested by DNR approve an expenditure of \$1,392,137 from the Heritage Land Trust Fund pursuant to Section 51-17-115 toward the acquisition of land described in Permanent Improvement Project 6085.

ATTACHMENTS:

Agenda item worksheet and attachment

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: **August 27, 2024**

Regular Agenda

1. Submitted By:

(a) Agency: Department of Administration

(b) Authorized Official Signature:


 Kevin Etheridge, Executive Budget Office

2. Subject:

Department of Natural Resources – Jasper-Coosawhatchie-HP Land Acquisition Part III (TNC)

3. Summary Background Information:

- (a) Project: JBRC Item 35: Department of Natural Resources
P24.6085: Jasper-Coosawhatchie HP Land Acquisition Part III (TNC)
- Request: Establish Final Land Acquisition to purchase +/-398 acres of land in Jasper County.
- Included in CPIP: Yes – 2024 CPIP Priority 43 of 62 in FY25 (estimated at \$2,690,000)
Phase I Approval: October 2023 (estimated at \$2,269,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USFS Forest Legacy	20,000		20,000	935,000	955,000
Other, Heritage Land Trust				1,392,137	1,392,137
Other, Fish & Wildlife Protection (Deer)				150,000	150,000
Other, Fish & Wildlife Protection (Timber)				150,000	150,000
All Sources	<u>20,000</u>		<u>20,000</u>	<u>2,627,137</u>	<u>2,647,137</u>

Rationale: The acquisition of the property will expand a Heritage Preserve/Wildlife Management Area for the public to engage in outdoor recreational activities such as for big and small game hunting. Also, activities to promote bobwhite quail restoration, recruitment of red-cockaded woodpeckers and the expansion of gopher tortoise populations will be undertaken. If the property is acquired, it will be managed as part of the new Coosawhatchie Heritage Preserve/Wildlife Management Area.

Characteristics: The property is approximately eight miles north of Ridgeland west of Interstate 95. It adjoins the east side Possum Corner Road and the west side of a 1,205-acre parcel (project P24-6084) proposed for acquisition by DNR. The property is comprised of upland mixed pine, hardwoods, sand ridges, open areas, and wetlands. Approximately 68 priority plant and animal species are known or expected to occur in the area.

Financial Impact: The property is offered by The Nature Conservancy for \$2,627,137. The acquisition will be funded from Federal, Forest Legacy (uncommitted balance \$3.97 million at May 31, 2024), Other, Heritage Land Trust (uncommitted balance

\$33.50 million at May 31, 2024), Other, Fish & Wildlife Protection (Deer) (uncommitted balance \$1.35 million at May 31, 2024), and Fish & Wildlife Protection (Timber) (uncommitted balance \$1.70 million at June 19, 2024). Revenue received from the USFS Forest Legacy Grant is authorized by the Cooperative Forestry Assistance Act of 1978 as amended by the 1990 Farm Bill Section 1217 of Title XII of the Food, Agriculture, Conservation and Trade Act of 1990, and is to protect environmentally important forest areas that are threatened by conversion to non-forest uses. Revenue to the Heritage Land Trust Fund is authorized by SC Code 51-17-115 and provides for the department to use Heritage Land Trust Funds to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. Revenue to the Fish & Wildlife Protection (Deer) Fund is derived income from timbers harvests on DNR lands. Revenue from this source must be expended by DNR for the protection, promotion, propagation, and management of freshwater fisheries and wildlife, the enforcement of related laws, the administration of the department, and the dissemination of information, facts, and findings the department considers necessary. Revenue to the Fish and Wildlife Protection (Timber) Fund is derived income from timbers harvests on DNR lands. Revenue from this source must be expended by DNR for the protection, promotion, propagation, and management of freshwater fisheries and wildlife, the enforcement of related laws, the administration of the department, and the dissemination of information, facts, and findings the department considers necessary. The project is expected to result in an increase of \$5,000 (years 1 thru 3), in annual operating expenditures. An appraisal was completed in March 2024 and valued the property at \$2,935,000. A Phase I Environmental Site Assessment was completed in June 2024 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment is not required because there are no buildings located on the property. Letters of support are not required because the property is owned by a nonprofit organization.

Full Project Estimate: \$2,647,137 funded by USFS Forest Legacy Administrative Grant, Heritage Land Trust, Fish & Wildlife Protection (Timber), and Fish & Wildlife Protection (Deer) Funds.

Other: The South Carolina Department of Natural Resources has coordinated and collaborated with the South Carolina Conservation Bank to confirm that the proposed conservation land acquisition of this property is an appropriate conservation purchase and will maximize the most cost-effective use of funds appropriated or authorized by the General Assembly in the proposed purchase

4. What is SFAA asked to do?

Consider approval of the Final Land Acquisition.

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

The item is complete and ready for SFAA review.

6. List of Supporting Documents:

1. Permanent Improvement Project Jasper-Coosawhatchie HP Land Acquisition Part III (TNC)

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: Horry
From: Department of Administration on behalf of South Carolina
Department of Motor Vehicles (#1213)
To: Horry County
Consideration: \$723.80 Administrative fee
\$2,934.00
Description/Purpose: To grant a 0.08± acre easement for the purpose of relocating, constructing, operating, repairing, maintaining and replacing telecommunications system, lines and equipment on property of SCDMV's Conway Office. Horry County desires to have a secondary system as a backup to Horry Telephone Cooperative's system to serve current and future telecommunications needs for County Government facilities that support day-to-day operations, including emergency response. 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 appraised value. The SCDMV has 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. There are no exceptions requested with regard to the 2022 easement policy.
- (b) County Location: Charleston
From: Medical University of South Carolina (#1211A)
To: South Carolina Department of Transportation
Consideration: \$723.80 Administrative fee
\$10,450.00
Description/Purpose: To grant a 0.002± acre permanent easement for the construction, operation and maintenance of traffic and roadway improvements to facilitate better traffic and pedestrian movements along a portion of Calhoun and Jonathan Lucas Streets in Charleston. The easement will contain termination language that if the easement holder abandons the easement, is

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

in breach, or ceases to use the easement for its intended purpose, it will terminate. Consideration is \$723.80 administrative fee plus the appraised value in fee simple based on SCDOT standard procedure. MUSC has 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. SCDOT has requested that the easement be permanent, because the easement area will be managed and maintained by SCDOT as part of the roadway as long as it remains a roadway.

- (c) County Location: Charleston
From: Medical University of South Carolina (1211B)
To: South Carolina Department of Transportation
Consideration: \$723.80 Administrative fee
\$353,500.00
Description/Purpose: To grant a 0.063± acre permanent easement for the construction, operation and maintenance of traffic and roadway improvements to facilitate better traffic and pedestrian movements along a portion of Calhoun Street in Charleston. 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. Consideration is \$723.80 administrative fee plus the appraised value in fee simple based on SCDOT standard procedure. MUSC has 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. SCDOT has requested that the easement be permanent because the easement area will be managed and maintained by SCDOT as part of the roadway as long as it remains a roadway.

- (d) County Location: Richland
From: Department of Administration on behalf of South Carolina
Department of Disabilities and Special Needs (#1216)
To: Dominion Energy South Carolina, Inc.
Consideration: \$723.80 Administrative fee
\$1.00
Description/Purpose: To grant a 10.08± acre non-exclusive easement for the installation, operation and maintenance of electric lines and poles and other accessory apparatus and equipment on property of the Department of Disabilities & Special Needs' Midlands

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

Center in Northeast Columbia. Dominion Energy will take over the electric infrastructure. 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. As the easement is being sought by DDSN to replace the existing outdated infrastructure with a new electrical distribution system, it does not materially impair the utility of the property or damage it, and DDSN has requested that the easement be granted for nominal consideration. There are no exceptions requested with regard to the 2022 easement policy.

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: August 27, 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: Horry
From: Department of Administration on behalf of South Carolina
Department of Motor Vehicles (#1213)
To: Horry County
Consideration: \$723.80 Administrative fee
\$2,934.00
Description/Purpose: To grant a 0.08± acre easement for the purpose of relocating, constructing, operating, repairing, maintaining and replacing telecommunications system, lines and equipment on property of SCDMV's Conway Office. Horry County desires to have a secondary system as a backup to Horry Telephone Cooperative's system to serve current and future telecommunications needs for County Government facilities that support day-to-day operations, including emergency response. 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 appraised value. The SCDMV has 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. There are no exceptions requested with regard to the 2022 easement policy.
- (b) County Location: Charleston
From: Medical University of South Carolina (#1211A)
To: South Carolina Department of Transportation
Consideration: \$723.80 Administrative fee
\$10,450.00
Description/Purpose: To grant a 0.002± acre permanent easement for the construction, operation and maintenance of traffic and roadway improvements to facilitate better traffic and pedestrian movements along a portion of Calhoun and Jonathan Lucas Streets in Charleston. 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. Consideration is \$723.80

administrative fee plus the appraised value in fee simple based on SCDOT standard procedure. MUSC has 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. SCDOT has requested that the easement be permanent, because the easement area will be managed and maintained by SCDOT as part of the roadway as long as it remains a roadway.

(c) County Location: Charleston
From: Medical University of South Carolina (1211B)
To: South Carolina Department of Transportation
Consideration: \$723.80 Administrative fee
\$353,500.00
Description/Purpose: To grant a 0.063± acre permanent easement for the construction, operation and maintenance of traffic and roadway improvements to facilitate better traffic and pedestrian movements along a portion of Calhoun Street in Charleston. 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. Consideration is \$723.80 administrative fee plus the appraised value in fee simple based on SCDOT standard procedure. MUSC has 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. SCDOT has requested that the easement be permanent because the easement area will be managed and maintained by SCDOT as part of the roadway as long as it remains a roadway.

(d) County Location: Richland
From: Department of Administration on behalf of South Carolina
Department of Disabilities and Special Needs (#1216)
To: Dominion Energy South Carolina, Inc.
Consideration: \$723.80 Administrative fee
\$1.00
Description/Purpose: To grant a 10.08± acre non-exclusive easement for the installation, operation and maintenance of electric lines and poles and other accessory apparatus and equipment on property of the Department of Disabilities & Special Needs' Midlands Center in Northeast Columbia. Dominion Energy will take over the electric infrastructure. 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. As the easement is being sought by DDSN to replace the existing outdated infrastructure with a new electrical distribution system, it does not materially impair the utility of the property or damage it, and DDSN has requested that the easement be granted for nominal consideration. 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 Section 10-1-130

(b) Exhibits (plats, maps, etc.)

a. Horry County (SCDMV)

b. South Carolina Department of Transportation (MUSC)

c. South Carolina Department of Transportation (MUSC)

d. Dominion Energy South Carolina, Inc. (DDSN)

SOUTH CAROLINA CODE OF LAWS

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

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

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

Effect of Amendment

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

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Department of Administration Lease at 1628 Browning Road in Columbia

The South Carolina Department of Administration requests approval to extend its current lease for office space at 1628 Browning Road, in Columbia SC from Browning Office Investment, LLC for the South Carolina Enterprise Information System (SCEIS). The Agency has leased space at this location since September 2008. The current lease for ±16,966 square feet will expire on October 31, 2024, and the rate is \$15.37/SF. The proposed lease would be for the same ±16,966 square feet for one year while Admin explores the possibility of moving SCEIS into state space that will be vacated at the Columbia Mills building when the Department of Public Health moves to 400 Otarre Parkway in Cayce.

The Department of Administration conducted a solicitation for various terms. Six proposals were received with the current location being the least expensive offer.

The space meets the state space standard of 210 SF/person with a density of 134 SF/person. The lease provides 154 free surface lot parking spaces for staff and visitors adjacent to the building.

The requested lease extension is for one (1) year commencing November 1, 2024. The rental rate will be \$15.75 per square foot which equals \$267,214.50. This is a full gross lease and includes all operating expenses.

The following chart represents comparable lease rates of similar space in the Columbia area, all of which were received in response to this solicitation:

Tenant	Location	Rate /SF*
Vacant*	1400 Pickens Street	\$20.00
Vacant*	1001 Pinnacle Point	\$20.00
Vacant*	7 Technology Circle	\$20.00
Vacant	246 Stoneridge Dr	\$27.00
Vacant	240 & 246 Stoneridge Dr	\$27.00

*Rates subject to operating expenses and base rent escalations.

SCEIS has adequate funds for the lease according to a Budget Approval Form submitted April 14, 2024. Lease payments will be funded through state appropriations. No option to purchase the property is included in the lease. The lease was approved by JBRC at its August 20, 2024, meeting.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Department of Administration Lease at 1628 Browning Road in Columbia

AUTHORITY ACTION REQUESTED:

Approve the proposed lease extension for one year for the South Carolina Department of Administration for ±16,966 square feet of space at 1628 Browning Road in Columbia from Browning Office Investment, LLC, 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: August 20, 2024

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster
Ashlie Lancaster, Director

2. Subject: South Carolina Department of Administration Lease at 1628 Browning Road in Columbia

3. Summary and Background Information:

The South Carolina Department of Administration requests approval to extend its current lease for office space at 1628 Browning Road, in Columbia SC from Browning Office Investment, LLC for the South Carolina Enterprise Information System (SCEIS). The Agency has leased space at this location since September 2008. The current lease for ±16,966 square feet will expire on October 31, 2024, and the rate is \$15.37/SF. The proposed lease would be for the same ±16,966 square feet for one year while Admin explores the possibility of moving SCEIS into state space that will be vacated at the Columbia Mills building when the Department of Public Health moves to 400 Otarre Parkway in Cayce.

The Department of Administration conducted a solicitation for various terms. Six proposals were received with the current location being the least expensive offer.

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*Rates subject to operating expenses and base rent escalations.

SCEIS has adequate funds for the lease according to a Budget Approval Form submitted April 14, 2024. Lease payments will be funded through state appropriations. No option to purchase the property is included in the lease. The lease was approved by JBRC at its August 20, 2024, meeting.

4. What is the Authority asked to do? Approve the proposed lease extension for one year for the South Carolina Department of Administration for ±16,966 square feet of space at 1628 Browning Road in Columbia from Browning Office Investment, LLC.

5. What is recommendation of the submitting agency involved? Approve the proposed lease extension for one year for the South Carolina Department of Administration for ±16,966 square feet of space at 1628 Browning Road in Columbia from Browning Office Investment, LLC.

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) None

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Health and Human Services Lease of 4130 Faber Place Drive, Suite 300, N. Charleston

The SC Department of Health and Human Services (HHS) requests approval to lease thirteen thousand two hundred (13,200) square feet (a reduction of approximately 5,781 sf) of office space in North Charleston from REVA Kay Ashley Corporate Center LLC for Community Long Term Care/Eligibility/Baby Net. The current lease for 18,981 square feet will expire on January 14, 2025, and the rate is \$20.30/SF. HHS has been leasing space at this location since 2006.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for various terms. Three offers were received in response to the solicitation. The selected location was the least expensive offer.

The requested lease term is seven (7) years and one (1) month commencing January 15, 2025.

The rent for the first month of the term will be abated. Thereafter, rent for the first full year of the term will be \$290,400.00 or \$22.00 per square foot. The rental rate shall escalate by 4% annually over the term. All operating expenses are included in the lease. The following chart sets forth the rent over the term.

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>MONTHLY RENT</u>	<u>ANNUAL RENT</u>	<u>RENT PER SF</u>
Month 1	1/15/2025-2/14/2025	abated	abated	abated
YEAR 1	2/15/2025-2/14/2026	\$24,200.00	\$290,400.00	\$22.00
YEAR 2	2/15/2026-2/14/2027	\$25,168.00	\$302,016.00	\$22.88
YEAR 3	2/15/2027-2/14/2028	\$26,174.72	\$314,096.64	\$23.80
YEAR 4	2/15/2028-2/14/2029	\$27,221.71	\$326,660.51	\$24.75
YEAR 5	2/15/2029-2/14/2030	\$28,310.58	\$339,726.93	\$25.74
YEAR 6	2/15/2030-2/14/2031	\$29,443.00	\$353,316.00	\$26.77
YEAR 7	2/15/2031-2/14/2032	\$30,620.72	\$367,448.64	\$27.84

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Health and Human Services Lease of 4130 Faber Place Drive, Suite 300, N. Charleston

The maximum total rent that could be paid over the term is \$2,293,664.72.

The lease meets the state space standard of 210 SF/person with a density of 206 SF/person.

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

Tenant	Location	Annual Rate per SF
Vacant	1360 Truxton+	\$25.00
Vacant	4600 Goer Drive+	\$54.04
Vacant	Maybank Hwy Building E*	\$40.00
Vacant	276 E. Bay St.*	\$29.75

*Rates do not include utilities, property expenses or building services and may also be subject to base rent and/or operating expense escalations.

+Received in response to solicitation.

The lease has adequate parking in the surface lot surrounding the premises.

HHS has adequate funds for the lease according to a Budget Approval Form submitted to the Capital Budgeting Office on July 30, 2024. Lease payments will be funded through state appropriations and federal funding. No option to purchase the property is included in the lease. The lease was approved by JBRC at its August 20, 2024, meeting.

AUTHORITY ACTION REQUESTED:

Approve the proposed seven-year and one month lease for the SC Department of Health and Human Services for 13,200 square feet of office space in North Charleston from REVA Kay Ashley Corporate Center LLC, 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: **August 20, 2024**

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster

Ashlie Lancaster, Director

2. Subject: SC Department of Health and Human Services Lease of 4130 Faber Place Drive, Suite 300, N. Charleston

3. Summary Background Information:

The SC Department of Health and Human Services (HHS) requests approval to lease thirteen thousand two hundred (13,200) square feet (a reduction of approximately 5,781 sf) of office space in North Charleston from REVA Kay Ashley Corporate Center LLC for Community Long Term Care/Eligibility/Baby Net. The current lease for 18,981 square feet will expire on January 14, 2025, and the rate is \$20.30/SF. HHS has been leasing space at this location since 2006.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for various terms. Three offers were received in response to the solicitation. The selected location was the least expensive offer.

The requested lease term is seven (7) years and one (1) month commencing January 15, 2025.

The rent for the first month of the term will be abated. Thereafter, rent for the first full year of the term will be \$290,400.00 or \$22.00 per square foot. The rental rate shall escalate by 4% annually over the term. All operating expenses are included in the lease. The following chart sets forth the rent over the term.

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>MONTHLY RENT</u>	<u>ANNUAL RENT</u>	<u>RENT PER SF</u>
Month 1	1/15/2025-2/14/2025	abated	abated	abated
YEAR 1	2/15/2025-2/14/2026	\$24,200.00	\$290,400.00	\$22.00
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YEAR 4	2/15/2028-2/14/2029	\$27,221.71	\$326,660.51	\$24.75
YEAR 5	2/15/2029-2/14/2030	\$28,310.58	\$339,726.93	\$25.74

YEAR 6	2/15/2030-2/14/2031	\$29,443.00	\$353,316.00	\$26.77
YEAR 7	2/15/2031-2/14/2032	\$30,620.72	\$367,448.64	\$27.84

The maximum total rent that could be paid over the term is \$2,293,664.72.

The lease meets the state space standard of 210 SF/person with a density of 206 SF/person.

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

Tenant	Location	Annual Rate per SF
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Vacant	4600 Goer Drive+	\$54.04
Vacant	Maybank Hwy Building E*	\$40.00
Vacant	276 E. Bay St.*	\$29.75

*Rates do not include utilities, property expenses or building services and may also be subject to base rent and/or operating expense escalations.

+Received in response to solicitation.

The lease has adequate parking in the surface lot surrounding the premises.

HHS has adequate funds for the lease according to a Budget Approval Form submitted to the Capital Budgeting Office on July 30, 2024. Lease payments will be funded through state appropriations and federal funding. No option to purchase the property is included in the lease. The lease was approved by JBRC at its August 20, 2024, meeting.

4. What is the Authority asked to do? Approve the proposed seven-year and one month lease for HHS for 13,200 square feet of office space in North Charleston from REVA Kay Ashley Corporate Center LLC.

5. What is recommendation of the submitting agency involved? Approve the proposed seven-year and one month lease for HHS for 13,200 square feet of office space in North Charleston from REVA Kay Ashley Corporate Center LLC.

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) Letter from Agency

July 30, 2024

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, 6th floor
Columbia, SC 29201

RE: Lease for 4130 Faber Place

Dear Ms. Lancaster:

The Department of Health and Human Services requests approval from the Department of Administration, Facilities Management and Property Services (FMPS), to enter into a seven-year lease with REVA Kay Ashley Corporate Center LLC for 13,200 rentable square feet of office space at 4130 Faber Place Drive, Suite 300, North Charleston, SC. The Department of Health and Human Services' current lease at 4130 Faber Place Drive expires on January 14, 2025.

After contacting state agencies to verify that there was no adequate state space available, the Department of Administration solicited for commercial space and three proposals were received. After careful consideration, 4130 Faber Place Drive, Suite 300, North Charleston, SC was selected because it is the current location for this lease and is the cheapest seven-year offer. The cumulative cost of the lease during the term is \$2,293,664.72.

Thank you for your consideration of this request and please let me know if you need any additional information.

Sincerely,



Robert M. Kerr, Director



AGENCY: Department of Administration, Facilities Management and Property Services and Executive Budget Office

SUBJECT: Midlands Technical College Acquisition of ±4.56 acres of land and a 40,992 square foot building and subsequent Lease Out to the SC State Board for Technical and Comprehensive Education

Midlands Technical College requests approval to purchase ±4.56 acres of land and a 40,992 square foot building located at 101 Research Drive in Columbia and to lease the property to the SC State Board for Technical and Comprehensive Education for use as a training center by readySC for Scout Motors' employees. The funding for the property acquisition will come from the SC Department of Commerce, the SC State Board for Technical and Comprehensive Education, Midlands Technical College, and Richland County at a total cost of \$5,001,000.

The initial term of the lease will be five (5) years with two (2) automatic renewals of three (3) years each commencing upon acquisition of the property. Consideration for the lease is \$1.00, with the tenant responsible for all maintenance and operations costs, as well as any improvements to the property. Any improvements made by the tenant will become the property of Midlands Technical College at the expiration or earlier termination of the lease.

No option to purchase the property is included in the lease. The lease was approved by JBRC at its August 20, 2024, meeting.

AUTHORITY ACTION REQUESTED:

Approve the Midlands Technical College Acquisition of ±4.56 acres of land and a 40,992 square foot building and subsequent Lease Out to the SC State Board for Technical and Comprehensive Education, as recommended by the Department of Administration, Facilities Management and Property Services and Executive Budget Office.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: August 27, 2024

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster
Ashlie Lancaster, Director
Facilities Mgmt. & Property Services

Kevin Etheridge
Kevin Etheridge, Acting Office Director
Executive Budget Office

2. Subject: Midlands Technical College Acquisition of ±4.56 acres of land and a 40,992 square foot building and subsequent Lease Out to the SC State Board for Technical and Comprehensive Education

3. Summary and Background Information:

Midlands Technical College requests approval to purchase ±4.56 acres of land and a 40,992 square foot building located at 101 Research Drive in Columbia and to lease the property to the SC State Board for Technical and Comprehensive Education for use as a training center by readySC for Scout Motors' employees. The funding for the property acquisition will come from the SC Department of Commerce, the SC State Board for Technical and Comprehensive Education, Midlands Technical College, and Richland County at a total cost of \$5,001,000.

The initial term of the lease will be five (5) years with two (2) automatic renewals of three (3) years each commencing upon acquisition of the property. Consideration for the lease is \$1.00, with the tenant responsible for all maintenance and operations costs, as well as any improvements to the property. Any improvements made by the tenant will become the property of Midlands Technical College at the expiration or earlier termination of the lease.

No option to purchase the property is included in the lease. The lease was approved by JBRC at its August 20, 2024, meeting.

4. What is the Authority asked to do? Approve the Midlands Technical College Acquisition of ±4.56 acres of land and a 40,992 square foot building and subsequent Lease Out to the SC State Board for Technical and Comprehensive Education.

5. What is recommendation of the submitting agency involved? Approve the Midlands Technical College Acquisition of ±4.56 acres of land and a 40,992 square foot building and subsequent Lease Out to the SC State Board for Technical and Comprehensive Education.

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) Letter from Agency
- (b) H59-6313 PIP Submission for Building Acquisition



Tim Hardee
System President

BOARD MEMBERS

Roger P. Schrum
Chairman
At-Large

Terry A. Hardesty
First Congressional District

Benjamin W. Satcher
Second Congressional District

Anthony G. Barker
Third Congressional District

Edward G. Burns
Fourth Congressional District

Ralph A. Odom Jr.
Fifth Congressional District

Rachel T. Gainey
Sixth Congressional District

Kathleen Richardson
Seventh Congressional District

Warren A. Darby Jr.
At-Large

Orville S. Smith III
At-Large

Carolyn Swinton
At-Large

Ellen Weaver
Ex Officio

Harry M. Lightsey III
Ex Officio



July 30, 2024

Ms. Ashlie Lancaster
Director, Facilities Management and Property Services
South Carolina Department of Administration

Dear Ms. Lancaster:

On behalf of the South Carolina Technical College System (SCTCS), I respectfully request that you please bring forward the lease agreement between Midlands Technical College and SCTCS for JBRC and SFAA approvals. Both parties have reviewed and agreed to the terms of the lease.

Please do not hesitate to contact me at 803.896.5316 or johnsonr@sctechsystem.edu if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Randall Johnson".

Randall Johnson, CPA
Vice President, Finance

Cc: Brad Neese, Vice President, Division of Economic Development
Dr. Barrie Kirk, Provost, Midlands Technical College

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: **August 27, 2024**

Regular Agenda

1. Submitted By:

(a) Agency: Department of Administration

(b) Authorized Official Signature:


 Kevin Etheridge, Executive Budget Office

2. Subject:

SC State Board for Technical and Comprehensive Education – Building Acquisition for readySC training

3. Summary Background Information:

(a) Project: JBRC Separate Item: SC State Board for Technical and Comprehensive Education
H59.6313: Building Acquisition for readySC training

Request: Establish Final Land Acquisition to purchase +/-4.56 acres and a building in Richland County.

Included in CPIP: Yes – 2024 CPIP Priority 1 of 1 in FY25 (estimated at \$5,001,000)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Richland County				1,333,666	1,333,666
Other, Department of Commerce				1,000,000	1,000,000
Other, SC State Board for Technical and Comprehensive Education				1,333,667	1,333,667
Other, Midlands Technical College				1,333,667	1,333,667
All Sources				<u>5,001,000</u>	<u>5,001,000</u>

Rationale: The property is being acquired to house training by readySC for Scout Motors' employees while a training center is being constructed in Blythewood. The property will be purchased by the Department of Commerce, SC State Board for Technical and Comprehensive Education, Midlands Technical College, and Richland County. The ownership will be retained by Midlands Technical College and the SC State Board for Technical and Comprehensive Education will lease the building on a long-term lease.

Characteristics: The property to be acquired is +/-4.56 acres and a 40,992 square foot building located at 101 Research Drive, within Carolina Research Park in Columbia.

Financial Impact: The property is being offered by Et Columbia Engineering, LLC for \$5,001,000. The acquisition will be funded from Other, Richland County (uncommitted balance \$1.33 million at May 1, 2024), Other, Department of Commerce (uncommitted balance \$1 million at May 1, 2024), Other SC State Board for Technical and Comprehensive Education (uncommitted balance \$1.33 million at May 1, 2024), and Other, Midlands Technical College (uncommitted balance \$1.33 million at May 1, 2024). The project is not expected to result in any change

in annual operating expenditures. An appraisal was completed in February 2024 and valued the property at \$5,001,000. A Phase I Environmental Site Assessment was completed in June 2024 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment was completed in July 2024 and found \$6,000 in Immediate Costs, \$387,575 in Short-Term Costs, and \$369,000 in Long-Term costs to rectify deficiencies. After acquisition, \$1,000,000 in renovations will be completed to upfit the building for its intended use. Letters of support have been received from Richland County and Richland One School District authorizing the removal of the property from the tax rolls.

Full Project Estimate: \$5,001,000 funded by Richland County, Department of Commerce, SC State Board for Technical and Comprehensive Education, and Midlands Technical College Funds.

4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Project Phase II.

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

The item is complete and ready for JBRC review.

6. List of Supporting Documents:

1. Permanent Improvement Project Building Acquisition for readySC training

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Parks, Recreation and Tourism Grant of Conservation Easement to the Spartanburg Area Conservancy, Inc.

The SC Department of Parks, Recreation and Tourism (SCPRT) is requesting approval to grant a conservation easement over ±945.91 acres of land in Spartanburg County to the Spartanburg Area Conservancy, Inc. (SPACE).

At its June 18, 2024, meeting, the State Fiscal Accountability Authority approved SCPRT's request to purchase ±945.91 acres of land in Spartanburg County from Tyger Oak, Inc. and Wellford-Glendale Properties, LLC and to lease the property to Spartanburg County for use as a passive-use park facility. At that time, it was noted that, following acquisition of the property, PRT would work with the Heritage Trust Advisory Board to conduct the required public hearings to place the property under a conservation easement with SPACE. The Heritage Trust Advisory Board conducted its public hearing on May 29, 2024, and provided final approval of the conservation easement on June 18, 2024. SCPRT conducted its public hearing on July 26, 2024. All the requisite approvals were obtained in accordance with S.C. Code Section 27-8-30.

The conservation easement will ensure the land area is preserved for outdoor recreation by, or the education of, the general public, the farm and forest land is protected as open space for the scenic enjoyment of the general public by protecting the rural scenic view along approximately 1.3 Miles on Lewis Chapel Road in Spartanburg County, 0.7 Miles on Clifdale Road in Spartanburg County, and 0.5 Miles on Goldmine Road in Spartanburg County, and Significant Natural Areas containing relatively natural habitat of fish, wildlife, and/or plants, associated with eastern temperate forests, are safeguarded. As the grantee, SPACE will be responsible for enforcing the terms of the conservation easement.

AUTHORITY ACTION REQUESTED:

Approve SCPRT's grant of a ±945.91 acre conservation easement in Spartanburg County to Spartanburg Area Conservancy, Inc. (SPACE), 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: August 27, 2024

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster

Ashlie Lancaster, Director

- 2. Subject:** SC Department of Parks, Recreation and Tourism Grant of Conservation Easement to the Spartanburg Area Conservancy, Inc.
-

3. Summary Background Information:

The SC Department of Parks, Recreation and Tourism (SCPRT) is requesting approval to grant a conservation easement over ±945.91 acres of land in Spartanburg County to the Spartanburg Area Conservancy, Inc. (SPACE).

At its June 18, 2024, meeting, the State Fiscal Accountability Authority approved SCPRT's request to purchase ±945.91 acres of land in Spartanburg County from Tyger Oak, Inc. and Wellford-Glendale Properties, LLC and to lease the property to Spartanburg County for use as a passive-use park facility. At that time, it was noted that, following acquisition of the property, PRT would work with the Heritage Trust Advisory Board to conduct the required public hearings to place the property under a conservation easement with SPACE. The Heritage Trust Advisory Board conducted its public hearing on May 29, 2024, and provided final approval of the conservation easement on June 18, 2024. SCPRT conducted its public hearing on July 26, 2024. All the requisite approvals were obtained in accordance with S.C. Code Section 27-8-30.

The conservation easement will ensure the land area is preserved for outdoor recreation by, or the education of, the general public, the farm and forest land is protected as open space for the scenic enjoyment of the general public by protecting the rural scenic view along approximately 1.3 Miles on Lewis Chapel Road in Spartanburg County, 0.7 Miles on Clifdale Road in Spartanburg County, and 0.5 Miles on Goldmine Road in Spartanburg County, and Significant Natural Areas containing relatively natural habitat of fish, wildlife, and/or plants, associated with eastern temperate forests, are safeguarded. As the grantee, SPACE will be responsible for enforcing the terms of the conservation easement.

- 4. What is the Authority asked to do?** Approve SCPRT's grant of a ±945.91 acre conservation easement in Spartanburg County to SPACE.
-

- 5. What is recommendation of the submitting agency involved?** Approve SCPRT's grant of a ±945.91 acre conservation easement in Spartanburg County to SPACE.
-

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: SC Conservation Bank
-

8. List of Supporting Documents:

- (a) Letter from SCPRT
- (b) Map and Exhibits
- (c) Code Sections 27-8-30 and 10-1-130



South Carolina Department of
Parks, Recreation & Tourism

Henry McMaster
Governor

Duane N. Parrish
Director

August 7, 2024

Ashlie Lancaster , Director
Division of Facilities Management and Property Services
The South Carolina Department of Administration
1200 Senate Street
Sixth Floor.
Columbia, SC 29201

RE: Tyger Oak Easement Application

Dear Ms. Lancaster,

In partnership with the SC Conservation bank, the SC Office of Resiliency, and the Spartanburg Area Conservancy (SPACE), the SC Department of Parks, Recreation and Tourism (SCPRT) recently acquired the Tyger Oak Property located in Spartanburg, SC. The goal of this acquisition was for the property to eventually become the “Central Park of Spartanburg” under a lease agreement with Spartanburg County and provide public access and outdoor recreation opportunities to a rapidly growing area of the state.

Under the original acquisition plan, SPACE submitted a request for a conservation easement on the property. The responsible management agency, SCPRT, has conducted the requisite due diligence and seeks to convey such easement for the following reasons.

SCPRT believes that there is an important public necessity for protecting the Tyger Oak parcel and preserving the open space with a conservation easement. The easement will protect 1.2 miles of river frontage on Lawson’s Ford Creek and will help to preserve the rich industrial history of the area. The easement will not impact the intended use of the new park, but will serve as increased protection for the 945-acre natural area that adjoins previously protected property. Connecting to previously protected conservation properties, this property will help create a contiguous 1,161-acre conservation corridor with 3 miles of river frontage.

As per SC Code §27-8-30(3), SCPRT received approval from the Heritage Trust Program after a public hearing. SCPRT also held a public hearing at which no public comment was received. SCPRT believes it is in our best interest, and the best interest of the State, to grant a conservation easement to SPACE on the Tyger Oak parcel.

Sincerely,

A handwritten signature in black ink that reads "Duane Parrish". The signature is written in a cursive style with a large, prominent initial "D".

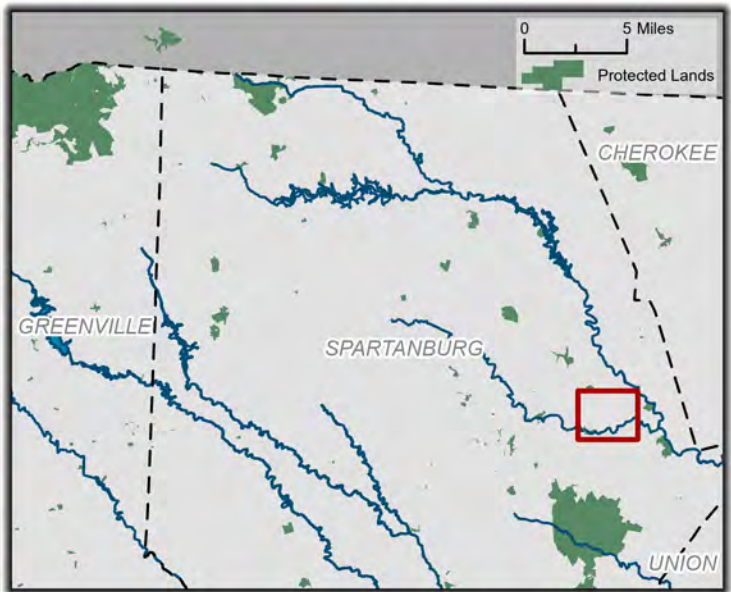
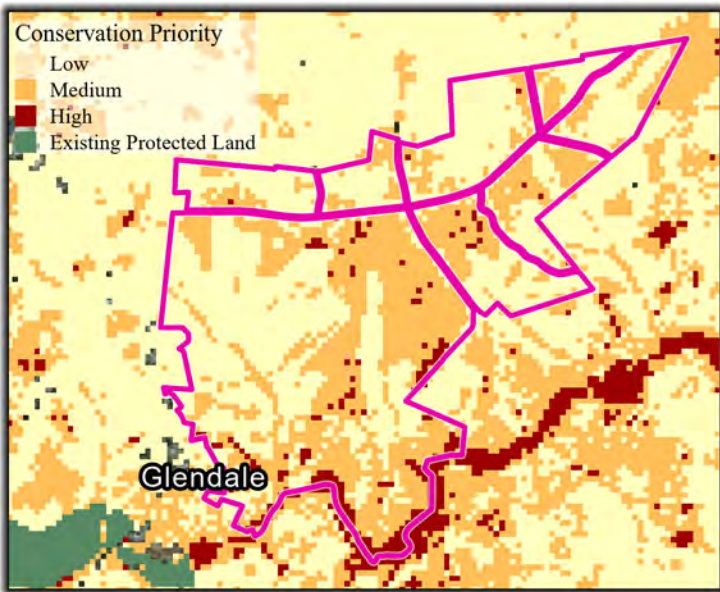
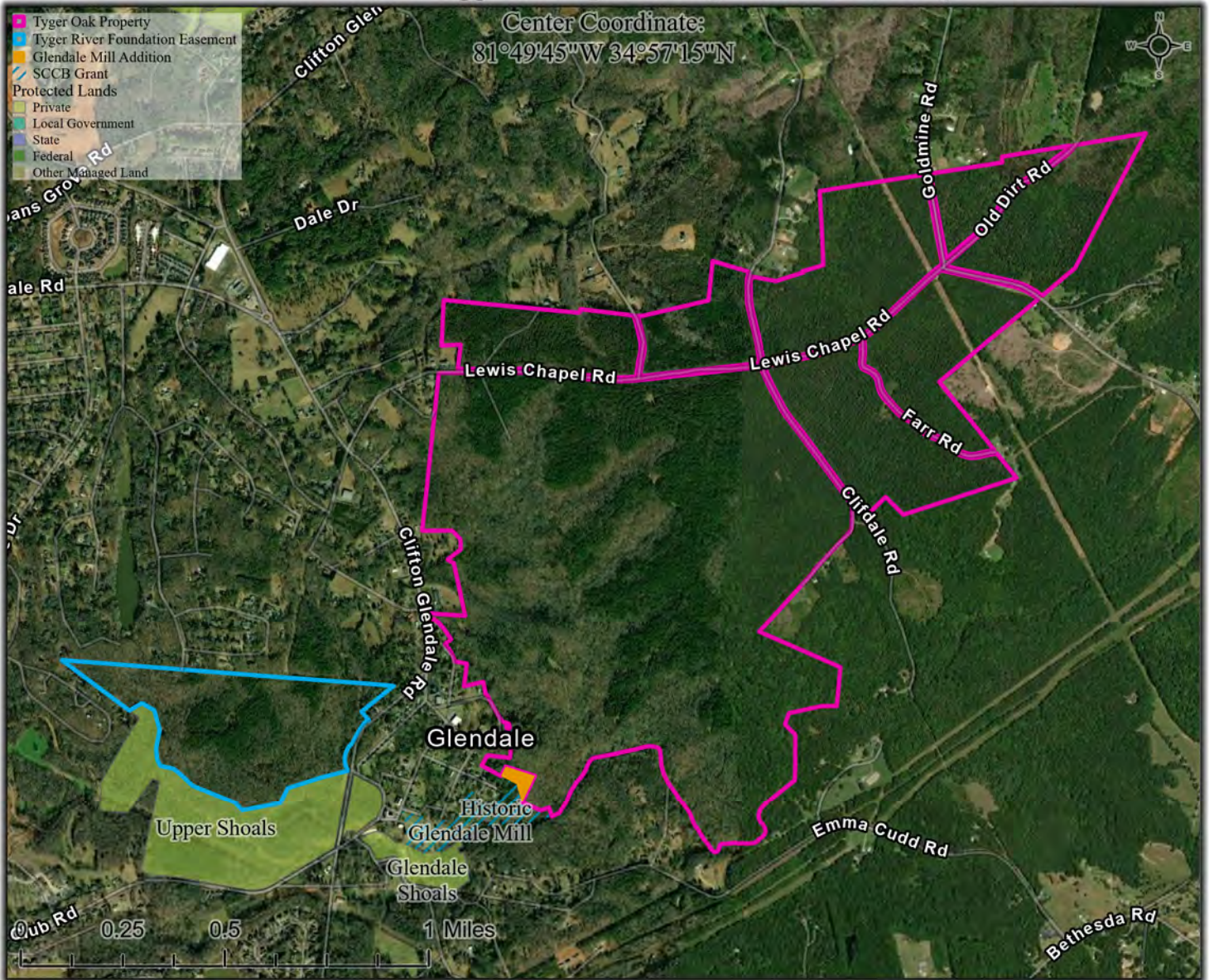
Duane Parrish, Director
SCPRT

SC Conservation Bank January 2024 Applicant



Property Name: Tyger Oak Property

Applicant: Spartanburg Area Conservancy



SOUTH CAROLINA CODE OF LAWS

SECTION 27-8-30. Conservation easements generally; creation, duration and effect; conveyances.

(A) Except as otherwise provided in this chapter, a conservation easement may be created, conveyed, recorded, assigned, released, modified, terminated, or otherwise altered or affected in the same manner as other easements and must be recorded in the same manner as other easements.

(B) No right or duty in favor of or against a holder and no right in favor of a person having a third-party right of enforcement arises under a conservation easement before its acceptance by the holder and a recordation of the acceptance in the office of the register of deeds for each county where the land burdened by the conservation easement lies.

(C) Except as provided in Section 27-8-40(B), a conservation easement is unlimited in duration unless the instrument creating it provides otherwise.

(D) An interest in real property in existence at the time a conservation easement is created is not impaired by the easement unless the owner of the interest is a party to the conservation easement or consents to it.

(E)(1) A conservation easement may be conveyed to a holder without consideration by any local governmental body, including a county, municipality, and other political subdivision, if the conveyance is authorized by the elected members of the governmental body that owns the property to be burdened by the easement.

(2) For the purposes of this subsection an elected member of a governmental body includes a member serving on the governmental body ex officio, provided that the member has been elected to another office. A governmental body consisting of appointed members may make a conveyance only with the approval of the elected members of the governmental body that appointed the members.

(3) A governmental body proposing to convey an easement shall submit a proposal to the Advisory Board of the Heritage Trust Program, and the advisory board shall conduct a public hearing on the proposal within sixty days of receiving the proposal. The public hearing may be conducted by the advisory board by one or more members of the board or one or more members of the staff of the Heritage Trust Program as designated by the chairperson of the board. The persons conducting the hearing promptly shall submit to each member of the advisory board a written summary of the testimony, public comment, and other information presented at the hearing. Within thirty days after the hearing the advisory board shall approve or disapprove the proposal based on the testimony, public comment, and other information. The approval or disapproval by the advisory board may be indicated at a meeting of the board or by written ballot of the individual members. If the proposal is approved, the governmental body shall conduct a public hearing not less than thirty nor more than sixty days after the approval, at which the easement must be explained and public comment received.

(4) For a governmental body to convey an easement under this subsection, at least two-thirds of the elected members of the governmental body shall approve the conveyance. No member of a governmental body that conveys an easement in accordance with this subsection is personally liable for the actions of the governmental body.

(5) Items (2), (3), and (4) of this subsection do not apply to an easement burdening land that is adjacent to a river or river segment whose designation as a scenic river under the State Scenic Rivers Program has been ratified by the General Assembly under Section 49-29-90.

HISTORY: 1991 Act No. 92, Section 1; 1993 Act No. 32, Section 1.

Code Commissioner's Note

1997 Act No. 34, Section 1, directed the Code Commissioner to change all references to "Register of Mesne Conveyances" to "Register of Deeds" wherever appearing in the 1976 Code of Laws.

SOUTH CAROLINA CODE OF LAWS

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

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

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

Effect of Amendment

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

From: [Ken Rentiers](#)
To: [Therese \(Terry\) L Hurley](#); [Larck, Amber](#)
Subject: HTAB vote
Date: Tuesday, June 18, 2024 10:33:14 AM

Good morning. FYI, this morning HTAB voted unanimously to approve the proposed conservation easement on the Tyger Oaks property. Please let us know if we can be of further assistance. Best regards, Ken

Ken Rentiers
Deputy Director
SCDNR

MEMORANDUM

To: SCDNR Heritage Trust Board

From: Terry Hurley

Date: April 30, 2024

Subject: Conservation Easement Tyger Oaks

South Carolina Parks Recreation and Tourism (SCPRT) is seeking approval to place a conservation easement on property in Spartanburg County known as Tyger Oaks. The project is as follows:





1. Approval for SCDNR Heritage Trust Staff to assist SCPRT with the Conservation Easement process on property in Spartanburg County.
 - (SCPRT) in partnership with the South Carolina Conservation Bank and South Carolina Office of Resilience expect final approval following Joint Bound Review Committee (JBRC) May 28th and State Fiscal Accountability Authority (SFAA) June 4th meetings for (SCPRT) acquisition of Tyger Oaks a 945-acre property.
 - The property, also known as the "Central Park of Spartanburg", will provide public access to one of the fastest growing cities in the United States.
 - The property will protect 1.2 miles of river frontage on Lawsons Fork Creek, adjoin previously protected property, and preserve the rich industrial history of the area.
 - Connecting to previously protected conservation properties, this property will help create a contiguous 1,161-acre conservation corridor with 3 miles of river frontage.
 - Upon (SCPRT's) purchase of the property, a lease agreement with Spartanburg County will be executed for the long-term management of the green space passive park.
 - Property owners and Department of Administration (DOA) staff have asked (SCPRT) to work with Spartanburg Area Conservancy (SPACE) to place a mutually agreed upon conservation easement after the acquisition.

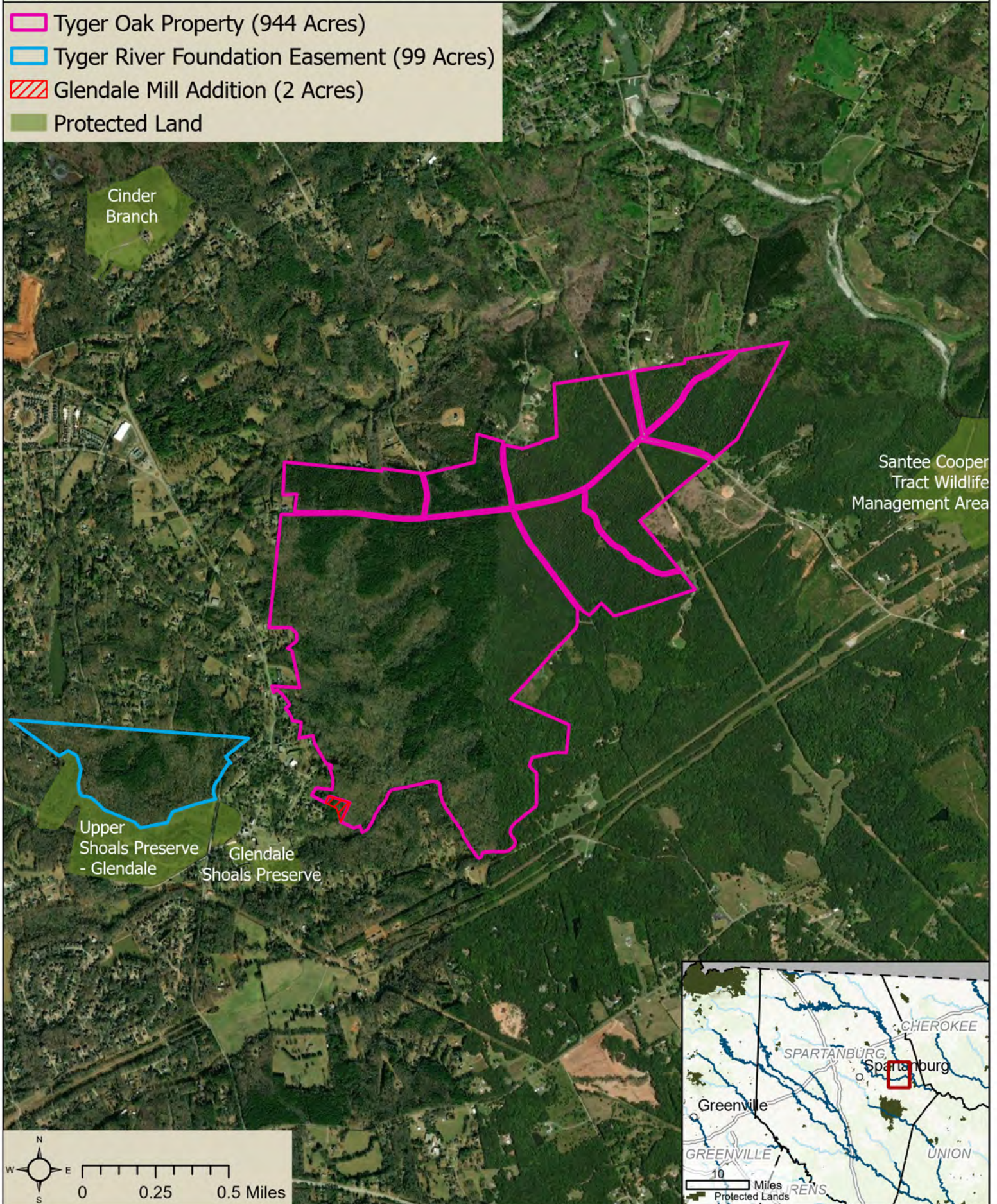
Draft Motion: In keeping with Title 27-Property and Conveyances Chapter 8- Conservation Easement Act Section 27-8-30, I move that Heritage Trust Advisory Board recommend Heritage Trust staff review SCPRT/Spartanburg Area Conservancy's Conservation Easement **proposal** and set up public meeting **for comment on the proposed easement within sixty (60) days of today.**



Tyger Oak Property in Spartanburg County FOR CONSERVATION EASEMENT APPROVAL



-  Tyger Oak Property (944 Acres)
-  Tyger River Foundation Easement (99 Acres)
-  Glendale Mill Addition (2 Acres)
-  Protected Land



SCDNR Heritage Trust Advisory Board
Notice of Public Hearing

Conservation Easement
SC Department of Parks, Recreation and Tourism
in cooperation with the
Spartanburg Area Conservancy (SPACE)

In accordance with the South Carolina Conservation Easement Act (Section 27-8-30 of the South Carolina Code of Laws), the Heritage Trust Advisory Board will conduct a public hearing on a proposal by the South Carolina Department of Parks, Recreation and Tourism to acquire property in Spartanburg County known as Tyger Oaks and place a Conservation Easement on the property in cooperation with the Spartanburg Area Conservancy (SPACE).

The South Carolina Office of Resilience is a major funding contributor to the project.

Wednesday, May 29, 2024

6:00 – 8:00 PM

Goodall Environmental Studies Center

351 Broadway Street

Glendale, South Carolina 29346

- [Fees and Fines Report FY 2022-23](#)

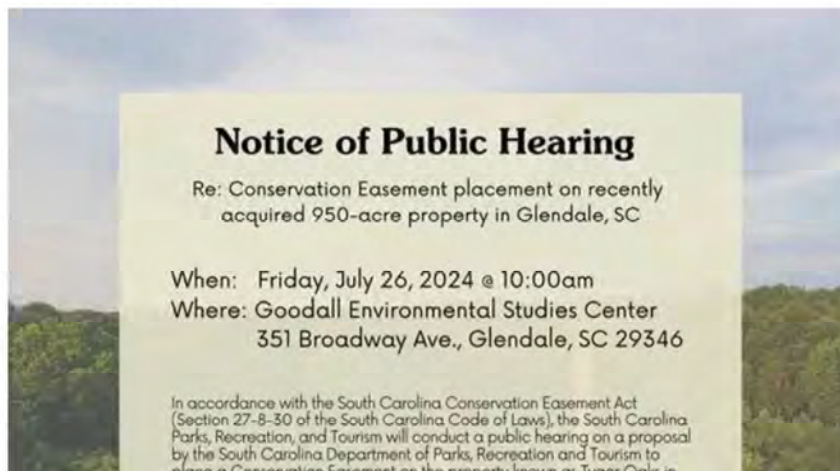
Entities receiving Earmarked Appropriations through SCPRT

On July 1, 2022, Governor Henry McMaster issued [Executive Order 2022-19](#), directing state agencies to disclose online detailed information about the entities who are receiving earmarked appropriations from the FY 2022-23 General Appropriations Act. In addition, Governor McMaster's order requires agencies to disclose how the taxpayer funds are spent, prohibits the practice of providing funds in advance to legislators for personal delivery, and requires additional measures designed to increase transparency and accountability.

- [View SCPRT's Earmarked Appropriations documentation here.](#)

*Documents are posted as they are submitted to SCPRT. Please check back for additional documentation as it becomes available. **If you have specific questions about an earmark, we encourage you to contact the entity receiving the earmarked appropriations directly.** Entities with questions about their earmark distribution can contact [Ashley Berry](#) and [Tonisha James](#).*

Public Notice:



AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Real Property Conveyances

- (a) **Controlling Agency:** **Department of Administration (Admin)**
Acreage: 4.44± acres and two (2) 4-story office buildings connected by an enclosed crosswalk totaling 99,183 gross square feet commonly known as the Mills/Jarrett Building
Location: 2100 Bull Street, Columbia
County: Richland
Purpose: To transfer real property
Price/Transferred To: TBD/Not less than appraised value
Disposition of Proceeds: To be retained by Admin pursuant to Proviso 93.8
- (b) **Controlling Agency:** **Department Disabilities and Special Needs**
Acreage: 11.962± acres and a 2-story office building containing 52,000 gross square feet
Location: 3440 Harden Street Extension, Columbia
County: Richland
Purpose: To transfer real property
Price/Transferred To: TBD/Not less than appraised value
Disposition of Proceeds: To be divided between Admin and the Department of Disabilities and Special Needs pursuant to Proviso 93.8.

AUTHORITY ACTION REQUESTED:

Approve the property conveyances and transactions, as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

- a) SC Code of Laws Section 1-11-65
- b) 2024-2025 Appropriations Bill H5100, Part 1B, Proviso 93.8
- c) Maps

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: August 27, 2024

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster

Ashlie Lancaster, Director

2. Subject: Real Property Conveyances

3. Summary Background Information:

- (a) **Controlling Agency:** Department of Administration (Admin)
Acreage: 4.44± acres and two (2) 4-story office buildings connected by an enclosed crosswalk totaling 99,183 gross square feet commonly known as the Mills/Jarrett Building
Location: 2100 Bull Street, Columbia
County: Richland
Purpose: To transfer real property
Price/Transferred To: TBD/Not less than appraised value
Disposition of Proceeds: To be retained by Admin pursuant to Proviso 93.8
- (b) **Controlling Agency:** Department Disabilities and Special Needs
Acreage: 11.962± acres and a 2-story office building containing 52,000 gross square feet
Location: 3440 Harden Street Extension, Columbia
County: Richland
Purpose: To transfer real property
Price/Transferred To: TBD/Not less than appraised value
Disposition of Proceeds: To be divided between Admin and the Department of Disabilities and Special Needs pursuant to Proviso 93.8.
-

4. What is the Authority asked to do? Approve the property conveyances and transactions as requested.

5. What is recommendation of the submitting agency involved? Approve the property conveyances and transactions as requested.

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) 2024-2025 Appropriations Bill H5100, Part 1B, Proviso 93.8
- c) Maps

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. 5100

General Appropriations Bill for fiscal year 2024-2025

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.

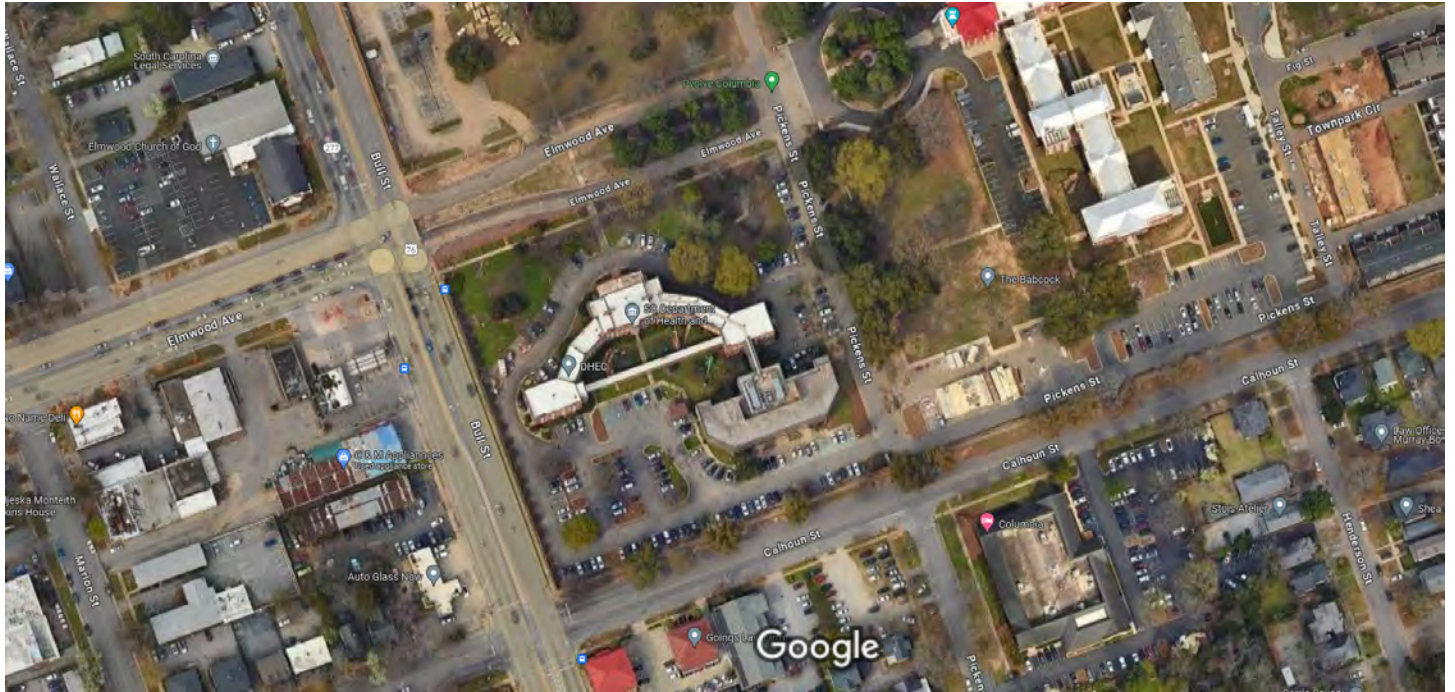
The Department of Agriculture, the Educational Television Commission, the Department of Corrections, the Department of Natural Resources, and the Forestry Commission shall annually submit a report, within sixty days after the close of the fiscal year, to the Senate Finance Committee and the House Ways 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.



2100 Bull Street, Columbia, SC 29201



Imagery ©2024 Airbus, Maxar Technologies, Map data ©2024 100 ft

Google Maps **3440 Harden Street Extension, Columbia, SC 29203**



Imagery ©2024 Airbus, Maxar Technologies, Map data ©2024 50 ft

AGENCY: Division of Procurement Services

SUBJECT: South Carolina Department of Transportation (SCDOT) – Approval of Contract Duration

Section 11-35-2030(5), of the SC Consolidated Procurement Code limits the maximum potential duration for any contract to seven years unless the Authority approves a longer maximum potential duration. SCDOT seeks Authority approval to solicit a contract with a duration of twelve years for administration, marketing, construction, and maintenance of the Specific Service (Logo) Signing Program. The current contract, which had a Budget and Control Board approved extended duration of twelve-years, started on June 1, 2013, and is set to expire May 31, 2025. The new contract will require the contractor to replace all the extruded panel signs statewide within two years of award; a significant cash outlay. The useful life of the reflective sheeting on these panels is approximately twelve years. Allowing a twelve-year contract would allow the contractor to amortize the cost of replacing the panels over the entire useful life of the signs, thus allowing a greater annual revenue return to SCDOT. A twelve-year contract will also facilitate replacement of Logo signs on the same schedule DOT uses for other Interstate signs.

AUTHORITY ACTION REQUESTED:

Under authority of SC Consolidated Procurement Code Section 11-35-2030(5), approve SCDOT's request to solicit a contract for the administration, marketing, construction, and maintenance of the Specific Service (Logo) Signing Program with a duration of twelve years, as recommended by the Division of Procurement Services.

ATTACHMENTS:

- A- SCDOT's Request
- B- Section 11-35-2030(5) of the SC Consolidated Procurement Code
- C- 2012 Request and approval
- D- Extended terms previously approved by the Authority

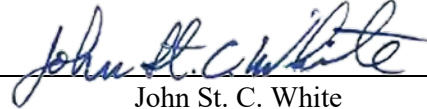
**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: 8/27/2024

Regular Agenda

1. Submitted by:

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



John St. C. White
Materials Management Officer
Division of Procurement Svcs

2. Subject: South Carolina Department of Transportation (SCDOT) – Approval of Contract Duration.

3. Summary and Background Information:

Section 11-35-2030(5), of the SC Consolidated Procurement Code limits the maximum potential duration for any contract to seven years unless the Authority approves a longer maximum potential duration. SCDOT seeks Authority approval to solicit a contract with a duration of twelve years for administration, marketing, construction, and maintenance of the Specific Service (Logo) Signing Program. The current contract, which had a Budget and Control Board approved extended duration of twelve-years, started on June 1, 2013, and is set to expire May 31, 2025. The new contract will require the contractor to replace all the extruded panel signs statewide within two years of award; a significant cash outlay. The useful life of the reflective sheeting on these panels is approximately twelve years. Allowing a twelve-year contract would allow the contractor to amortize the cost of replacing the panels over the entire useful life of the signs, thus allowing a greater annual revenue return to SCDOT. A twelve-year contract will also facilitate replacement of Logo signs on the same schedule DOT uses for other Interstate signs.

4. What is the Authority asked to do? Under authority of SC Consolidated Procurement Code Section 11-35-2030(5), approve SCDOT’s request to solicit a contract for the administration, marketing, construction, and maintenance of the Specific Service (Logo) Signing Program with a duration of twelve years.

5. What is recommendation of the submitting agency involved? Approve the Authority action requested.

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)? Approve the Authority action requested.

- (a) Authorized Signature: _____
- (b) Office Name: _____

8. List of Supporting Documents:

A- SCDOT's Request

B- Section 11-35-2030(5) of the SC Consolidated Procurement Code

C- 2012 Request and approval

D- Extended terms previously approved by the Authority

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

May 21, 2024

Mr. John St. C. White, PE
Materials Management Officer and State Engineer
Division of Procurement Services
South Carolina State Fiscal Accountability Authority
1201 Main St, Suite 600
Columbia, SC 29201

RE: Request for Contract in Excess of 7 Years

Dear Mr. White:

In late 2024 or early 2025, the South Carolina Department of Transportation (SCDOT), through the Division of Procurement Services (DPS), intends to issue an Invitation for Bids to re-solicit for Specific Service (Logo) Signing Program. The current contract is set to expire May 31, 2025. SCDOT is requesting the State Fiscal Accountability Authority (SFAA) approve a contract to allow for a contract up to 12 years.

Section 11-35-2030. Multi-term 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.



Mr. John St. C. White, PE

May 8, 2019

Page 2 of 2

(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.

If you have any questions on this request, please contact my office directly.

Sincerely,



Emmett I. Kirwan, CPM
Procurement Director, Commodities and Services
Acting Chief for Professional Services Contracting

ec: Justin P. Powell, Secretary of Transportation
Robert E. Perry, P.E., Deputy Secretary for Engineering
Karl M. McCottry, Deputy Secretary for Finance and Administration
Brent S. Dillon, P.E., Director of Traffic Engineering
J. Darrin Player, Chief Procurement Officer



MEMORANDUM

TO: Justin P. Powell, Secretary of Transportation

FROM: Brent S. Dillon, P.E., PTOE, Director of Traffic Engineering *BSD*

DATE: April 10, 2024

RE: 2025 Specific Service (Logo) Signing Contract for Fully Controlled Access Highways

The current contract for administration, marketing, construction and maintenance of the Specific Service (Logo) Signing program with South Carolina Logos, LLC is set to expire on May 31, 2025. The contract was awarded in accordance with Section 57-25-170 of the South Carolina Code of Laws which provides SCDOT with authority to enter into a cooperative agreement with a private party to operate the Specific Service Signing program. The current twelve year contract was awarded in March 2013.

We would like to submit a request to the State Fiscal Accountability Authority, Division of Procurement Services, to pursue a new contract to be awarded for a period of twelve years. In accordance with Section 11-35-2030 of the South Carolina Code of Laws, any contract longer than seven years must be approved by the Authority as part of its formal meeting agenda.

The new contract will require that all of the extruded panel signs be replaced within two years of the award of contract. The replacement of these panels represents a significant cash outlay to the selected firm.

The industry standard warranty for the reflective sheeting on these panels is ten years with the actual expected useful life being twelve to fifteen years. Allowing a twelve year contract would allow the successful bidder to amortize the cost of replacing the panels over the entire useful life of the sign, thus allowing a greater annual revenue return to SCDOT over this period. See the attachment for additional background information.



Justin P. Powell
Page 2
April 10, 2024

With your concurrence, we will explore the option of pursuing a twelve year contract. If you have any questions or need additional information, please do not hesitate to contact me at (803) 737-1462.

Recommended By:

Concurrence By:



Robert E. Perry, P.E.
Deputy Secretary for Engineering



Justin P. Powell
Secretary of Transportation

JNB:tmo

Attachment

ec: Robert E. Perry, P.E. - Deputy Secretary for Engineering
Andy Leaphart – Chief Engineer for Operations
Barbara Wessinger – Chief Counsel

File: TE/JNB

Background Information

Subject: 2025 Specific Service (Logo) Signing Contract for Fully Controlled Access Highways which includes Tourist Oriented Destination (TODS) Signing for Non- Interstate Routes

The South Carolina Department of Transportation's current twelve year contract for administration, marketing, construction and maintenance of the Specific Service (Logo) Signing Contract with South Carolina Interstate Logos, LLC is set to expire on May 31, 2025. The contract was awarded in accordance with Section 57-25-170 of the South Carolina Code of Laws which provides with authority to enter into a cooperative agreement with a private party to operate the specific service signing program. As part of the Request for Proposal to solicit bids for a new contract, the Department of Transportation would like to request approval for a twelve year contract period for the following reasons:

The 2009 FHWA Manual on Uniform Traffic Control Devices (MUTCD) requires that each state have an assessment or management method in place that is designed to maintain sign retro-reflectivity levels at or above minimum established values. The most practical approved method is blanket replacement of signs in a system or area. The blanket replacement can be based on the expected sign life. This method eliminates the costly and time consuming exercise of measuring individual sign retro-reflectivity. Currently, all guide, regulatory and warning signs on the interstate system are replaced on a twelve year cycle.

The vast majority of the logo background signs will have been in service for over ten years at the conclusion of the existing contract. To be in compliance with the requirements of the MUTCD, the new contract will require that all of the background extruded panel signs be replaced within two years of the award of contract. The industry standard warranty for the reflective sheeting on these panels is ten years with the actual expected useful life being twelve to fifteen years. Establishing a twelve year contract will place these signs on the same replacement schedule as all other interstate signs.

Finally, the replacement of these panels represents a significant cash outlay to the selected firm. During the first two years of the contract, approximately 130,000 square feet of signs will be replaced at an estimated cost of \$3.5 million dollars. Approval of a twelve year contract would allow the successful bidder to amortize the cost of replacing the panels over the entire useful life of the sign, thus allowing a greater annual revenue return to SCDOT over this period.

The existing contract has been very successful. In addition to providing excellent customer service for participants and motorist, it has also generated over \$45,000,000 over the twelve year period while keeping cost for participants low compared to other forms of exposure.

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.

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

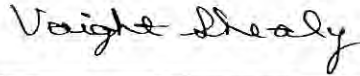
Meeting scheduled for: **October 30, 2012**

Regular Agenda

Submitted by:

(a) Agency: Procurement Services Division

(b) Authorized Official Signature:



R. Voight Shealy, Materials Management Officer

2. Subject: Waiver to extend the maximum time on a multi-term contract for the South Carolina Department of Transportation

3. Summary Background Information:

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to seven years unless otherwise approved by the Board. South Carolina Department of Transportation (SCDOT) has asked for Board approval for the Materials Management Office to solicit proposals on its behalf to contract for up to twelve (12) years for administration, marketing, construction, and maintenance of the Specific Service (Logo) Signing Program. The current contract is set to expire May 31, 2013. SCDOT is working with the Materials Management Office to develop and plan the solicitation to replace the current contract. The new contract will require the contractor to replace all of the extruded panel signs statewide within two years of award; a significant cash outlay. The useful life of the reflective sheeting on these panels is twelve to fifteen years. Allowing a twelve year contract would allow the contractor to amortize the cost of replacing the panels over the entire useful life of the signs, thus allowing a greater annual revenue return to SCDOT.

4. What is Board asked to do?

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), consider South Carolina Department of Transportation's request for a multi-term contract for the administration, marketing, construction, and maintenance of the Specific Service (Logo) Signing Program for up to twelve (12) years.

5. What is recommendation of Board division involved? As stated in Item 4. above.

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

(a) Letter of request from South Carolina State University

(b) Section 11-35-2030(4) of the SC Consolidated Procurement Code

EXCERPT FROM THE CONSOLIDATED PROCUREMENT CODE

SECTION 11-35-2030. Multi-term 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 multi-term 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 best interests 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) The maximum time for a multi-term contract is five years. Contract terms of up to seven years may be approved by the designated board officer. Contracts exceeding seven years must be approved by the board.



South Carolina
Department of Transportation

MEMORANDUM

TO: Robert J. St. Onge, Jr., Secretary of Transportation
FROM: Tony S. Sheppard, Director of Traffic Engineering *TSS*
DATE: July 25, 2012
RE: 2013 Specific Service (Logo) Signing Contract for Fully Controlled Access Highways

The current contract for administration, marketing, construction and maintenance of the Specific Service (Logo) Signing Program with South Carolina Logos, LLC is set to expire on May 31, 2013. The contract was awarded in accordance with Section 57-25-170 of the South Carolina Code of Laws which provides the South Carolina Department of Transportation (SCDOT) Commission with authority to enter into a cooperative agreement between the Department of Transportation and a private party to operate the Specific Service Signing Program.

A request to move forward with the procurement of a new contract was approved during the June 21, 2012 Commission meeting. The request is located on pages 66-67 of the Commission notebook. The current seven year contract was awarded in June 2006.

We would like to contact the Budget and Control Board's Materials Management office to request that the new contract be awarded for a period of twelve years. In accordance with Section 11-35-2030 of the Code of Laws, any contract longer than seven years must be approved by the board as part of its formal meeting agenda.

The new contract will require that all of the extruded panel signs be replaced within two years of the award of contract. The replacement of these panels represents a significant cash outlay to the selected firm.

The industry standard warranty for the reflective sheeting on these panels is ten years with the actual expected useful life being twelve to fifteen years. Allowing a twelve year contract would allow the successful bidder to amortize the cost of replacing the panels over the entire useful life of the sign, thus allowing a greater annual revenue return to SCDOT over this period.

With your concurrence, we will explore the option of pursuing a twelve year contract. If you have any questions or need additional information, please do not hesitate to contact me at (803) 737-1462.

TSS:prb

cc: John V. Walsh, Deputy Secretary for Engineering
J. C. Watson, Chief Engineer for Operations
Andy Leaphart, Deputy of Support Services

File: TE/JNB

Concur: *RJ St. Onge*
Secretary of Transportation
JVW
RKP



Information on Renewal of Logo Contract

- Logo program is a self-sustaining program, as costs to administer the program are recovered through the contract (*SCDOT only administers – construction, marketing and maintenance is handled by the contractor*)
- Last contract was a 7-year contract
- Since that time, the MUTCD was modified to require that states have a management plan in place to assure minimum levels of sign retro-reflectivity are met. Systematic sign replacement based on useful life is an acceptable method to meet MUTCD requirements for retro-reflectivity levels.
- Most states use this method as measuring the retro-reflectivity of individual signs not practical on a large sign system. Systematic replacement on a 10-12 year cycle is currently used by SCDOT for all other types of interstate signs.
- The accepted standard for the useful service life of a sign is 10-12 years. Sign material manufacturers typically provide a 10 year warranty with their products.
- Some of the Logo signs are nearing 20 years in age and all are over 10 years in age
- Approximate contract cost to replace all blue background signs would be \$2.7M, split out over two years (the amount of time it will take to replace all 1,500+ signs)
- A 12-year contract would better facilitate Logo signs being on the same replacement schedule as all other interstate signs
- A 12-year contract would allow the successful bidder to amortize the cost of replacing the signs over the 12 year period

MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

October 30, 2012 -- 10:00 A. M.

The Budget and Control Board (Board) met at 10:00 a.m. on Tuesday, October 30, 2012, in Room 252 in the Edgar A. Brown Building, with the following members in attendance:

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

Also attending were Budget and Control Board Executive Director Marcia Adams; Chief of Staff Steve Elliott; General Counsel Paul Koch; Governor's Deputy Chief of Staff for Policy, Budget, and Cabinet Affairs Ted Pitts; Treasurer's Chief of Staff Bill Leiding; Comptroller General's Chief of Staff James M. Holly; Senate Finance Committee Budget Director Mike Shealy; Ways and Means Committee Chief of Staff Beverly Smith; Board Secretary Delbert H. Singleton, Jr., and other Budget and Control Board staff.

Adoption of Agenda for Budget and Control Board

Upon a motion by Mr. Eckstrom, seconded by Mr. White, the Board adopted the Budget and Control Board agenda as proposed.

Minutes of Previous Meeting

Upon a motion by Mr. Eckstrom, seconded by Mr. Loftis, the Board approved the minutes of the August 8, 2012, Budget and Control Board meeting.

Blue Agenda

Upon a motion by Mr. Loftis, seconded by Mr. White, the Board approved the blue agenda items.

State Treasurer: Bond Counsel Selection (Blue Agenda Item #1)

The Board approved the following notification of the assignment of bond counsel for conduit issues (for ratification of issuer's counsel only) for which Board approval was requested:

Minutes of Budget and Control Board Meeting
October 30, 2012 – Page 58

Lease Date	Agency/Location	Rate/SF
9/08	Technical College System, 111 Executive Center Dr.	\$9.75
9/08	Public Service Commission, 101 Executive Center Dr.	\$15.20 <i>(subject to operating cost escalations)</i>
7/07	State Accident Fund, 800 Dutch Square Blvd.	\$13.10 <i>(subject to operating cost escalations)</i>

LLR has adequate funds for the lease according to a Budget Approval Form dated October 15, 2012, which also includes a multi-year plan. Lease payments will be made from program revenue generated through fees and fines. The space allocation of the new lease is 192 square feet for each of the 372 employees to be housed at the Kingstree Building. This includes all office space for employees as well as conference rooms, reception areas, copy/fax areas, storage/file rooms, work areas, mailroom, break room, computer server room and common areas. The lease was approved by the Joint Bond Review Committee at its meeting on October 24, 2012.

No option to purchase the property is included in the lease. The Kingstree Building was constructed in 1986. An environmental assessment dated April 21, 2006 recommends no further assessment is necessary. The lease was approved by Holly G. Pisarik, Director of the South Carolina Department of Labor, Licensing and Regulation, and by David M. Lepore, Senior Vice President for GPT Properties Trust.

Governor Haley noted by approving this item LLR will save \$4 million over the term of the lease.

Upon a motion by Senator Leatherman, seconded by Mr. White; the Board approved the proposed ten year lease and optional renewal term of five years subject to the review and approval by the Division of General Services for the Department of Labor, Licensing and Regulation at 110 Centerview Drive in Columbia.

Information relating to this matter has been retained in these files and is identified as Exhibit 22.

Procurement Services Division: Waiver to Extend the Maximum Time on a Multi-term Contract for the South Carolina Department of Transportation (Regular Session Item 10)

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum

time for any multi-term contract to seven years unless otherwise approved by the Board. South Carolina Department of Transportation (SCDOT) asked for Board approval for the Materials Management Office to solicit proposals on its behalf to contract for up to twelve (12) years for administration, marketing, construction, and maintenance of the Specific Service (Logo) Signing Program. The current contract is set to expire May 31, 2013. SCDOT is working with the Materials Management Office to develop and plan the solicitation to replace the current contract. The new contract will require the contractor to replace all of the extruded panel signs statewide within two years of award; a significant cash outlay. The useful life of the reflective sheeting on these panels is twelve to fifteen years. Allowing a twelve year contract would allow the contractor to amortize the cost of replacing the panels over the entire twelve year useful life of the signs resulting in lower annual amortization cost to the contractor and a greater annual revenue return to SCDOT.

Mr. Eckstrom asked if it is known that by a greater annual return will be gained for the agency by extending the term to twelve years. Senator Leatherman explained that this contract is for the blue signs that are on the highway which last more than seven years. He said his understanding is that SCDOT is being given the ability to go out for the life of the sign. Governor Haley commented that there should be more private contracting in SCDOT and that the State should not be in the business of doing transportation work. Mr. Eckstrom said that is not the question in this case.

Andy Leaphart with SCDOT appeared before the Board on this item. He said Senator Leatherman is correct in that the signs have a useful life of about 10 years. He said allowing the company to come in and amortize their costs over a 12-year period as opposed to seven gives them the opportunity to realize a greater return. Mr. Eckstrom said if the signs have a 10-year life and the lease is being structured for 12 years means the company is incurring the costs of the sign. Mr. Leaphart said to replace the nearly 1700 signs will take two years. He said the signs can be stretched a little longer than 10 years but 10 years is the warranty life for the signs. Mr. Eckstrom asked who owns the blue signs. Mr. Leaphart said that once the signs are erected SCDOT will own them.

Upon a motion by Senator Leatherman, seconded by Mr. White, the Board, under the authority of SC Consolidated Procurement Code Section 11-35-2030(4), approved the South

Carolina Department of Transportation's request for a multi-term contract for the administration, marketing, construction, and maintenance of the Specific Service (Logo) Signing Program for up to twelve (12) years.

Information relating to this matter has been retained in these files and is identified as Exhibit 23.

Coastal Carolina University: Not Exceeding \$92,000,000 Coastal Carolina University, South Carolina Improvement and Refunding Revenue Bonds, Series 2013 (Regular Session 11)

The Board was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$92,000,000 Coastal Carolina University, South Carolina Improvement and Refunding Revenue Bonds, Series 2013.

The bonds are authorized for the purposes of: (A) providing the amounts necessary, together with other available funds of the University, to defray the cost of (i) acquiring real property known as the Elvington Property, incorporating such property into the University's campus, and constructing an approximately 1,200 bed dormitory facility thereon to provide housing for students attending the University and (ii) the advanced refunding of \$1,790,000 of the University \$3,855,000 original principal amount on or after June 1, 2014; (B) providing money to fund debt service reserve funds, if any; and (C) paying certain costs and expenses related to the issuance of the bonds.

Governor Haley asked if any tuition or fees will be raised because of the bonds being issued. Stacie Bowie with Coastal Carolina appeared before the Board on this matter. She stated that there are no tuition or fee increases associated with this item. Governor Haley asked Ms. Bowie to clarify where the University is with its share of the penny sales tax. Ms. Bowie said the penny sales tax is estimated to bring \$138 million to Coastal Carolina over the lifespan of the tax. She said it is used for academic building purposes. She noted that Coastal Carolina recently built a student recreation center with some of the money as well as a library addition. She said that the bonds are revenue bonds and will be self-supporting. She said the proceeds from the bonds for the project that is being built will pay for the debt service. Mr. Eckstrom asked Ms. Bowie what she meant by the proceeds of the bonds. Ms. Bowie responded the money received from the sale of the bonds. She said the proceeds will pay for the construction of the housing

State Fiscal Accountability Authority Approved Contract Durations Greater Than Seven Years Since 2015

Date of Approval	Agency	Item	Maximum Potential Duration
4/28/2015	University of South Carolina	Sports Marketing & Media Rights	10 years
3/8/2016	SC Educational Lottery	Central Gaming System	10 year performance term
9/20/2016	University of South Carolina	Food Service	15 years
9/20/2016	Department of Mental Health	Operation of Sexually Violent Predator Treatment Program	40 years
12/13/2016	University of South Carolina	Concessions, catering, and non-athletic event merchandise sales for all athletic venues	10 years
8/31/2017	SC Forestry Commission	Operation of Neiderhof Forestry Center	10 Years
9/1/2017	SC Forestry Commission	Operation of Taylor Nursery	10 Years
12/12/2017	Winthrop University	Food Service	10 Years
12/12/2017	SFAA Division of Procurement Svcs	Electronic Procurement System	10 year performance term
12/11/2018	Medical University of South Carolina	Enterprise Resource Planning System	11 year performance term
5/14/2019	University of South Carolina	Trademark and Licensing including apparel	10 years
6/18/2019	Department of Transportation	Enterprise Asset Management System	17 years
12/17/2020	University of South Carolina	Rental Management, premium catering, and operation of dining facility at Williams Brice Stadium	10 years
5/18/2021	Trident Technical College	Enterprise Resource Planning System	11 year performance term
10/12/2021	Medical University of South Carolina	Student Information System	11 years
5/31/2022	Clemson University	Enterprise Resource Planning System	11 year performance term
1/31/2023	Department of Mental Health	Psychiatric Residential Treatment Facility for juveniles	7 years after substantial completion of construction
3/28/2023	Clemson University	Licensing Agent contract	10 years
3/28/2023	Clemson University	Licensing and Campus Apparel Retail contract	10 years
3/28/2023	Department of Social Services	Economic Services System Application Modernization (ESSAM) System	12 years
10/17/2023	Department of Administration	SCEIS Modernization	10 year performance term
3/26/2024	University of South Carolina	Health Sciences Campus Operations and Maintenance	10 years

AGENCY: Division of Procurement Services

SUBJECT: South Carolina Educational Television (SCETV) – Procurement Exemption

Section 11-35-710 authorizes the State Fiscal Accountability Authority (the “Authority”) to “exempt specific supplies, services, information technology, or construction from the purchasing procedures” of the South Carolina Consolidated Procurement Code (Procurement Code). Pursuant to a recommendation of the Legislative Oversight Committee, SCETV requests that the Authority grant them an exemption for the acquisition of the following supplies or services as more fully described in an attachment to SCETV’s request:

1. Composers for original score and music compositions that are applied to long-form documentaries
2. Director of photography positions
3. Educational media services essential for building content repositories, expert consultation, and other tasks that require vendors' specific intellectual property (IP)
4. Actors for scripted programming/series
5. Hosts for Broadcast and Community Programming
6. Post-production services for the editing of visual and audio elements after filming
7. Programming, library content catalogs, program titles, and access to services for measuring audience impressions and ratings
8. License and rights to film footage, images, and intellectual property
9. Dramatic and documentary form script writers
10. Maintenance, parts, and system support software maintenance for production and broadcasting equipment such as transmitters, antennas, and similar technology infrastructure items provided that the equipment was procured via the competitive procedures of the Procurement Code and further provided that the maintenance services, parts, or system support software are only available from the original vendor.

SCETV currently processes acquisition of these supplies and services under the sole source procurement rules of the Procurement Code. These exemptions are similar to existing exemptions for supplies or services that would otherwise be a sole source such as the exemptions for copyrighted educational materials, software licenses provided the software has been competitively acquired, and a number of professional service categories.

AGENCY: Division of Procurement Services

SUBJECT: South Carolina Educational Television (SCETV) – Procurement Exemption

AUTHORITY ACTION REQUESTED:

Under authority of SC Consolidated Procurement Code Section 11-35-710, approve SCETV's request made pursuant to a recommendation of the Legislative Oversight Committee by exempting SCETV from (a) conducting through the chief procurement officer's area of responsibility procurements for any supplies, services, or information technology enumerated above, and (b) from conducting procurements for such supplies, services, or information technology pursuant to the Procurement Code's purchasing procedures. Further, require SCETV to submit annual reports of its acquisitions under this exemption to the Division of Procurement Services and provide that this exemption shall expire in five years unless reauthorized by the Authority, as recommended by the Division of Procurement Services.

ATTACHMENTS:

- A- SCETV's Request
- B- Section 11-35-710 of the SC Consolidated Procurement Code

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: 8/27/2024

Regular Agenda

1. Submitted by:

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



John St. C. White
Materials Management Officer
Division of Procurement Svcs

2. Subject: South Carolina Educational Television (SCETV) – Procurement Exemption.

3. Summary and Background Information:

Section 11-35-710 authorizes the State Fiscal Accountability Authority (the “Authority”) to “exempt specific supplies, services, information technology, or construction from the purchasing procedures” of the South Carolina Consolidated Procurement Code (Procurement Code). Pursuant to a recommendation of the Legislative Oversight Committee, SCETV requests that the Authority grant them an exemption for the acquisition of the following supplies, services, and information technology as more fully described in an attachment to SCETV’s request:

1. Composers for original score and music compositions that are applied to long-form documentaries
2. Director of photography positions
3. Educational media services essential for building content repositories, expert consultation, and other tasks that require vendors' specific intellectual property (IP)
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8. License and rights to film footage, images, and intellectual property
9. Dramatic and documentary form script writers
10. Maintenance, parts, and system support software maintenance for production and broadcasting equipment such as transmitters, antennas, and similar technology infrastructure items provided that the equipment was procured via the competitive procedures of the Procurement Code and further provided that the maintenance services, parts, or system support software are only available from the original vendor.

SCETV currently processes acquisition of these supplies, services, and information technology under the sole source procurement rules of the Procurement Code. These exemptions are similar to existing exemptions for supplies, services, and information technology that would otherwise be a sole source such as the exemptions for copyrighted educational materials, software licenses provided the software has been competitively acquired, and a number of professional service categories.

4. What is the Authority asked to do? Under authority of SC Consolidated Procurement Code Section 11-35-710, approve SCETV’s request made pursuant to a recommendation of the LOC by exempting

SCETV from (a) conducting through the chief procurement officer's area of responsibility procurements for any supplies, services, or information technology enumerated above, and (b) from conducting procurements for such supplies, services, or information technology pursuant to the Procurement Code's purchasing procedures. Further, require SCETV to submit annual reports of its acquisitions under this exemption to the Division of Procurement Services and provide that this exemption shall expire in five years unless reauthorized by the Authority.

5. What is recommendation of the submitting agency involved? The Chief Procurement Officer recommends the Authority approve the exemption requested by SCETV pursuant to a recommendation of the LOC.

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)? Approve the Authority action requested.

(a) Authorized Signature: _____

(b) Office Name:

8. List of Supporting Documents:

A- SCETV's Request

B- Section 11-35-710 of the SC Consolidated Procurement Code

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



July 22, 2024

South Carolina ETV • South Carolina Public Radio
1041 George Rogers Boulevard, Columbia, SC 29201

John St. C. White
Materials Management Officer and State Engineer
Division of Procurement Services
1201 Main Street, Suite 600
Columbia, South Carolina 29201

Dear Mr. White and Members of the SC State Fiscal Accountability Authority,

Please accept the enclosed procurement exemption request from South Carolina Educational Television Commission (H670). This request is being submitted at the recommendation of the Legislative Oversight Committee to assist with streamlining processes so that we may more efficiently execute the niche services provided by our agency.

The LOC recommendation is noted below.

“ETV should seek a procurement exemption for purchase of industry-specific services and goods through the existing process with the State Fiscal Accountability Authority. There are two ways agencies are exempted from the processes prescribed by the state’s Consolidated Procurement Code: (1) through legislative action (i.e., statute or proviso), or (2) through an exemption from the board of the State Fiscal Accountability Authority (SFAA - formerly the Budget and Control Board). S.C. Code Ann. § 11-35-710 delineates exemptions to the procurement code, and authorizes the SFAA board to grant exemptions to the Consolidated Procurement Code. SFAA provides most of the specific exemptions. During the study ETV staff members highlight challenges related to complying with the procurement code for some industry-specific items. According to agency staff, the process slows down the ability to acquire technology and at times increases the amount the agency pays because of the delay. In its third recommendation, the Committee recommends the agency seek procurement flexibility for purchase of industry-specific services and goods, such as annually-acquired programming or tower climbing. A similar, but less broad, exemption has been granted by the former Budget and Control Board on May 5, 1994, for “the procurement of copyrighted educational films, filmstrips, slides transparencies, CD ROM documents, data bases, computer assisted instructional materials interactive video programs and other related materials made available by information technology that can only be obtained from the company providing the information or service.”

In response to this recommendation, SCETV has identified ten categories in which exemptions will be helpful to operations and execution of the agency’s overall mission. A summary of each requested category is provided, as well as a sampling of purchases we typically make throughout the year that could fall into one of the proposed exemption categories.

Please do not hesitate to reach out to me if you have any questions as you review the information provided. Thank you in advance for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adrienne R. Fairwell', written in a cursive style.

Adrienne R. Fairwell, APR
President and CEO
803.737.3240 | afairwell@scetv.org

cc SCETV Finance
Dr. Stephanie Cook, SCETV Assistant GM



H670 Procurement Exemption Request Categories July 2024

Composers for Original Music

Requesting an exemption for original score and compositions that are applied to long-form documentaries. Composers vary in skill, instrumentation, and genre. A producer secures a composer based on their compilation of work and their overall cost related to the project budget. They apply their music that complements the narrative and theme of the program. They especially focus on key moments adding the right musical element that underscores what is seen on screen. Composers secure musicians and recording studios while composing to the programs post-production edit timeline. They work closely with the producer and editor and will adjust compositions as necessary. The complexity of the work, instrumentation, and total run time all factor into the process.

Director of Photography (DP)

Requesting an exemption for Director of Photography positions, commonly referred to as DP. Within the film and broadcast industry the DP is one of the most highly skilled and experienced positions. Executive Producers, Producers, and Directors build much of their creative team around the DP. The scope of their work is essential in choosing this position. The DP must bring extensive knowledge of optics (lenses), cameras, lighting, shot design, filters, and a creative interpretation of the script. Currently SCETV works within a restricted pool of vendors who may or may not meet industry standards. Being restricted to the vendor pool does not ensure that SCETV meets industry standards. Being able to expand the vendor pool through this exemption will allow an open call for new vendors, allowing SCETV to assess necessary qualifications and experience. If permitted the exemption, SCETV will also be able to do industry outreach to film schools and professional associations and utilizing diverse recruitment channels to attract qualified candidates.

Educational Media Services

Requesting an exemption for educational media services essential for building content repositories, expert consultation, and other tasks that require vendors' specific intellectual property (IP). These creative services are critical to our institution's educational goals and cannot be sourced through standard competitive bidding due to the unique nature of the expertise and IP involved. The vendors identified possess unique intellectual property and expertise that are not available from other sources. Their proprietary content and methodologies are integral to the development of our educational resources. Examples include specialized content repositories,



unique curriculum design, and expert consultation that are tailored to our institution's specific needs. SCETV currently adheres to the state's procurement process for contracting with vendors to provide educational services within the procurement limits. Primarily SCETV uses the sole source justification or encumber funding under the amount of \$25K.

Paid Actors for Scripted Programming/Series

Requesting an exemption for scripted programming/series actors in projects to include youth media and historical documentaries. A great actor can significantly elevate a project, bringing depth, authenticity, and emotional resonance to the narrative. A skilled actor can interpret and deliver the script in a way that adds layers of meaning, often exceeding the original vision of the writers and directors. In industry, hiring an actor for a scripted program/series follows a structured process to ensure the right fit for the role and the project's needs. These efforts include a casting call, scouting, auditions, and contract negotiations. Currently, there are few avenues for SCETV to obtain the actor(s) needed or required through the state procurement process. Typically to hire the talent needed, the agency works under the 10K procurement threshold, which can impact the overall quality of a production.

Paid Hosts for Broadcast and Community Programming

Requesting an exemption for program Hosts/Moderators in projects to include panel discussions, town halls, and community engagement events. The selection of a program Host/Moderator is guided by many factors. These include program type, distribution scope (i.e., local, statewide, regional, national), project budget, and in some cases client requests. While individuals in this role do not typically audition, their existing work is scrutinized to assure their skills meet the task at hand. Often it is essential that they possess a recognized background in journalism. Within the industry they will draw from a pool of qualified journalists that have demonstrated command of the interview or the dialogue of an invigorated panel. Rates are negotiated, often with agents but in some cases directly. At SCETV state procurement policy requires a bid process for such talent. This is counterproductive as the right choice for a program or series is most likely the only choice. Awarding such a key role on a bid process can do serious harm to the program or series and fall far short of industry standards and distribution requirements.

Post-Production Services

Requesting an exemption for the use of post-production sound studios. Executive Producers and Producers choose these companies based on their portfolio of work, technical facilities, and experience of the creative team. As with composers, the complexity of the work is a key factor in

choosing the company best equipped to meet creative expectations. Each service plays a crucial role in transforming raw footage into a polished, professional final product, and selecting the right providers for these services is critical to the success of the project.

The types of post-production services typically sought in the media industry include:

- Ingesting and Organizing Footage
- Editing
- Visual Effects (VFX)
- Sound Editing and Design
- Sound Mixing
- Music Composition
- Color Grading
- Titles and Graphics Design
- Conforming and Mastering
- Quality Control (QC)

Programming Acquisition & Program Services

Requesting an exemption for the purchase of programming, library content catalogs, program titles, and access to services for measuring audience impressions and ratings. These resources support the development of broadcast schedules and provide a library of exemplary content for SCETV. This exemption will include the purchase of TV broadcast and Streaming rights, when applicable. It is important that SCETV stays competitive in providing content while ensuring multiple programming options for viewers to identify SCETV as a leader in genres like dramas, entertainment, and history.

Currently, there are specific vendors that offer a variety of programming choices. Each vendor has specialty programming that is only distributed by them. Titles are usually only available from the specified vendor, meaning, this programming cannot be purchased through any other distributor. There are instances where titles can be negotiated in the process of acquiring. An exception will help us move smoothly to acquire the necessary programming, and provide subsequent payment, in a timely manner.

Rights/Intellectual Property

Requesting an exemption for license and rights to footage, images, and intellectual property. All of the materials are controlled by specific entities or individuals. Examples include Getty Images, Major League Baseball, National Football League, National Archives, museums, authors, and artists, all of which hold exclusive rights to manage license to use materials in films and broadcast programs. Executive Producers negotiate rates as well as years of use and territory for distribution. It is not uncommon for the material to be provided at a public media discounted rate. In general, the license terms are non-negotiable.

Script Writers

Requesting an exemption for dramatic and documentary form script writers. Scriptwriting is a highly specialized creative space within the industry. Some programs and series demand a team of writers, while others are served well by one writer. Like many other creative disciplines for film and broadcast writers are selected for their body of work and genre specialty. Working closely with the Executive Producer and Producer the writer captures the story in written form, and may work from research, outlines, general story arcs, or from existing narrative footage. The Writers Guild of America sets standards for writers as well as customary rates. These rates are negotiated and often will align with a project budget. The industry practice is to solicit from a pool of writers who are experienced with the genre, review their work, and request short writing samples.

Technology Parts/Maintenance Services

Requesting an exemption for the purchase of maintenance, parts, etc. for databases, transmitters, antennas, and other similar technology infrastructure items. The initial purchase of the technology item is procured via traditional state procurement methods (i.e., fair and reasonable purchase, written request for written quotes, solicitation). Once the products are purchased, only those specific vendors will supply the maintenance, parts, etc. on their products. An exemption would help ensure more timely support for and maintenance of these items.

Note: Requesting an exemption similar to SC Procurement Code Exemption 78.



APPENDIX: EXAMPLES OF CURRENT AGENCY SOLE SOURCES AND PROPOSED EXEMPTION CATEGORIES

COMPANY/ORGANIZATION	DESCRIPTION	EXEMPTION CATEGORY
American Public Media	American Public Media (APM) provides approximately 100 hours of educational programming each week.	Programming Acquisition & Program Services
American Public Television Inc (APT)	American Public Television Inc provides access to its Exchange program library and access to the full APT Passport library which will allow more viewership for both TV and streaming. APT also provides distinct communication to all public television stations including promotion for any program, or series, they distribute nationally for South Carolina ETV.	Programming Acquisition & Program Services
Americas Public Television Stations (APTS)	Nonprofit membership organization ensuring a strong and financially sound public television system and helping member stations provide essential public services in education, public safety and civic leadership to the American people.	Programming Acquisition & Program Services
ANDO Media LLC	Services from Ando Media (Triton Digital) to provide accredited digital audio measurement platform and enable live streaming.	Programming Acquisition & Program Services
Associated Press	Associated Press content used for on-air, on-line, and other social media platforms with South Carolina Public Radio.	Programming Acquisition & Program Services
Canadian Broadcasting Corporation	CBC provides several hours of programming for on-air broadcasting with South Carolina Public Radio.	Programming Acquisition & Program Services
Capital City Yoga LLC	Capital City Yoga LLC (Stacey Millner Collins) is the executive producer, writer, and host/talent for the ETV series "Yoga in Practice with Stacey Millner Collins".	Paid Host for Broadcast and Community Programming
Dielectric	Our television and radio stations are broadcast with Dielectric antennas, and they are the sole provider of parts and components.	Technology Parts/Maintenance Services
GatesAir Inc	GatesAir develops and manufactures their fleet of broadcast transmitters. They solely offer support 24/7, parts, training and full system design.	Technology Parts/Maintenance Services
GrayMeta Inc	GrayMeta Inc is the only provider of services, licensing, and support for Iris Anywhere their proprietary software. Iris Anywhere is Quality Control and Analysis software to allow SCETV to analyze digital media in its native file format at any various locations in our agency network.	Technology Parts/Maintenance Services
Imagine Communications Corp	Imagine Communications is the sole provider of Integration and Professional Services for their ADC Automation.	Technology Parts/Maintenance Services
Myers Information Systems Inc	BXF Automation Integration Module is an expansion to existing ETV programming/traffic software that allows and standardizes integration between that system and our existing playout and automation systems (Imagine ADC).	Technology Parts/Maintenance Services



National Public Radio	National Public Radio provides a membership to programs for on-air broadcast. Also includes NPR Digital Services as well as hosting and maintaining SCETV's website. NPR's PRSS/Content Depot is the distribution system through which we subscribe to and receive many of the programs we broadcast -- 24 hours a day from a variety of distributors. PRSS also manages the equipment and technological updates required for this service and provides 24/7 assistance for the equipment and service. This system is vital to SC Public Radio.	Programming Acquisition & Program Services
NETA	National Educational Telecommunications Association (NETA) provides an assessment of financial reporting required by the Corporation of Public Broadcasting. Also Membership dues.	Programming Acquisition & Program Services
New York Public Radio	New York Public Radio provides several programs for on-air broadcasting with South Carolina Public Radio.	Programming Acquisition & Program Services
Nielsen Media Research/The Nielsen Company US LLC	Nielsen Media Research provides ratings and measurements for various media audiences to include television, radio, theatre, and film.	Programming Acquisition & Program Services
PRX Inc	PRX Inc provides over 50 hours of weekly programming across two radio formats.	Programming Acquisition & Program Services
Public Broadcasting Services	PBS Station Dues. Provides SCETV all rights to broadcast a library of unique PBS television programming/pledge services for its scheduling use.	Programming Acquisition & Program Services
Radio Research Consortium	Radio Research Consortium contracts with Nielsen Media Research to produce local market audience rating estimates, analysis, and training for public radio stations.	Programming Acquisition & Program Services
Sky Blue Technologies Inc	Sky Blue Technologies is the only mobile app company who provides a single consolidated app for both PBS and NPR content such as is needed by dual license systems like SCETV.	Technology Parts/Maintenance Services
Spectra Logic	The Spectra Logic device ETV owns can only work through the use of Spectra Logic services.	Technology Parts/Maintenance Services
SpectraRep	SpectraRep manages the datacasting system already in use at SCETV and provides custom equipment and support services for SCETV datacasting project.	Technology Parts/Maintenance Services
Telestream LLC	ETV owns and operates a Telestream MassStore front-end and database for our LTO tape library. The renewal of maintenance support to keep this system functional is only available directly from Telestream.	Technology Parts/Maintenance Services



Trac Media SVCS & PTPA	TRAC Media Services offers scheduling consultants/analysis, Carriage, Pledge Advantage and State System ratings and Underwriting tools.	
Welk Syndication	License fee for use of Lawrence Welk Cycle 18 (television series/episodes).	
WUFT-TV/FM	SCETV works in partnership with WUFT, a public broadcast company for the University of Florida, to administer the South Carolina Emergency Information Network (SCEIN).	Programming Acquisition

Exhibit B

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).

AGENCY: Clemson University

SUBJECT: Not Exceeding \$31,000,000 of Athletic Facilities Revenue Bonds of Clemson University

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$31,000,000 of Athletic Facilities Revenue Bonds of Clemson University.

The proceeds of the bonds will defray a portion of the costs to, construct, improve, expand, renovate, and equip Athletic Facilities on the campus of the University, including (i) University, visiting team, and officiating professionals locker room facilities, (ii) sports medicine, nutrition and strength and conditioning facilities, (iii) fan amenities, and (iv) competition venues, and infrastructure related thereto on the campus of the University.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$31,000,000 of Athletic Facilities Revenue Bonds of Clemson University.

ATTACHMENTS:

Pope 7/22/2024 letter; SFAA Resolution; NDIF



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 08/27/24

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H12 Issuer: Clemson University Series: 2024
 Borrower (if not Issuer): _____
 Bond Caption: Athletic Facilities Revenue Bonds
 Bond Resolution Amount: _____ \$31,000,000 Est. Production/Par Amt: _____ \$27,995,000

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

Final Production/Par Amt: \$30,308,574

Submitted By:

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

Transaction Type/Method of Sale:

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

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): YMSRB (EMMA) Continuing Disclosure Responsible Party: Clemson University

2. FINANCING (NEW PORTION)

Project #: 9968 Project Name: Jervey Athletic Center Renovations and Performance and Wellness Center Addition project
 Project Address/Location: Main Campus, Clemson University Amount: \$30,000,000
 Project Type: Athletic Facilities County: Pickens
 Projected Avg Interest Rate: 4.36% (TIC) Final Maturity: 05/01/55

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: PFM Financial Advisors, LLC Disclosure Counsel: Howell Linkous & Nettles, LLC
 Bond Counsel: Pope Flynn, LLC Issuer's Counsel: Chip Hood
 Underwriter: Morgan Stanley & Stifel Trustee: Office of State Treasurer
 Paying Agent: US Bank Other: N/A

5. FINANCING/PROJECT DESCRIPTION

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

The bonds will provide proceeds necessary to defray the costs to construct, improve, expand, renovate, and equip Athletic Facilities on the campus of the University, including (i) University, visiting team, and officiating professionals locker room facilities, (ii) sports medicine, nutrition and strength and conditioning facilities, (iii) fan amenities, and (iv) competition venues, and infrastructure related thereto on the campus of the University. Costs of issuance of the bonds are calculated at the anticipated par amount of the bonds in accordance with the approved fee schedule for counsel, published schedules of rating agencies, past experience, and to take into account that certain larger items, such as the underwriter's discount, will not be known until the pricing of the bonds and will vary with market conditions. Costs of issuance as listed in Section 8 and Section 9 assume a stand-alone issuance. The Office of State Treasurer may issue the bonds as part of a larger transaction to reduce costs if appropriate.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	07/18/24	Complete
JBRC Approval:	08/20/24	Proposed
SFAA Approval:	08/27/24	Proposed

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	2/30/23	Complete
JBRC Approval:	10/10/23	Complete
SFAA Approval:	10/17/23	Complete

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy) Yes No

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

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected. Sq. Footage - Tax Analysis Underway
Cost Estimate - Tax Analysis Underway

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
\$ 30,292,276	6/30/2025	Reimbursement of and payment for project costs and costs of
\$	6/30/2026	Project costs
\$	6/30/2026	Project costs
\$	6/30/2027	Project costs
\$	6/30/2028	Project costs
\$		
\$ 30,292,276		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 27,995,000	\$ 30,000,000	Project Fund
(b) Premium/Accr. Int.	\$ 2,297,276	-	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	-	\$ 292,276	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		-	Accrued Interest
Type -	-	-	Other
Type -	-	-	Other
(6) SCHFDA MFHRB Sources		-	Other
(a) LIHTC	-	-	Other
(a) State Housing TC	-	-	Other
(c) Owner's Equity/Other	-	-	Other
Total Project Sources	\$ 30,292,276	\$ 30,292,276	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	LLC			\$ 50,000	\$	\$ 50,000
Bond Counsel	Pope Flynn, LLC			\$ 27,995	\$	\$ 27,995
Disclosure Counsel	Howell Linkous & Nettles			\$ 25,000	\$	\$ 25,000
Issuer's Counsel	Chip Hood			\$	\$	\$
Underwriter's Counsel	McGuire Woods			\$ 20,000	\$	\$ 20,000
Transaction Counsel	N/A			\$	\$	\$
Legal Expenses				\$ 4,000	\$	\$ 4,000
				\$	\$	\$
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$ 55,000	\$	\$ 55,000
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation	Morgan Stanley & Stifel			\$ 69,988	\$	\$ 69,988
Registrar / Paying Agent	U.S. Bank National Assoc.			\$ 10,000	\$	\$ 10,000
Auditor				\$	\$	\$
Dissemination Agent	DAC			\$ 2,500	\$	\$ 2,500
Verification Agent				\$	\$	\$
Presentation	ImageMaster			\$ 7,000	\$	\$ 7,000
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$ 20,794	\$	\$ 20,794
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 292,276	\$	\$ 292,276

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

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

0.18%	0.00%
0.10%	0.00%
0.28%	0.00%
0.20%	0.00%

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

0.25%	0.00%
0.14%	0.00%
1.04%	0.00%



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

July 22, 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 \$31,000,000 of Athletic Facilities Revenue Bonds of Clemson University

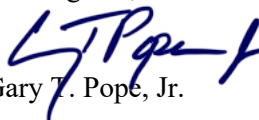
Dear Delbert:

On behalf of Clemson University, in connection with the authorization of the above-referenced bonds (the "Bonds"), and in anticipation of the South Carolina State Fiscal Accountability Authority (the "Authority") meeting scheduled for August 27, 2024, we respectfully enclose the following for consideration by the Authority:

1. A bond resolution dated April 16, 1999, of the Board of Trustees of Clemson University (the "University") providing for the issuance of Athletic Facilities Revenue Bonds of Clemson University, and a series resolution adopted by the Board of Trustees of the University on July 18, 2024, authorizing the issuance of the Bonds;
2. A certificate regarding outstanding Athletic Facilities Revenue Bonds;
3. A proposed form of opinion of Bond Counsel;
4. An executed opinion of Pope Flynn, LLC relating to the sufficiency of the proceedings and information submitted to the Authority in connection with its consideration of the approval of the Bonds;
5. A proposed form of resolution of the Authority (an electronic copy is being provided contemporaneously with this letter); and
6. An executed Bond Transmittal Form.

We have provided the Office of State Treasurer with copies of the Bond Counsel Selection Form, the New Debt Information Form (NDIF) – Initial Form, and a copy of this submission package. Please let us know should you require anything further or if you have any questions regarding the enclosed.

Best regards,


Gary T. Pope, Jr.

c: Rick Petillo, Vice President and Chief Financial Officer, Clemson University
Jackie D. Hipes, Assistant Director, Debt Management Division, Office of State Treasurer

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: 7/22/2024

Submitted for SFAA Meeting on:
8/27/2024

FROM: Pope Flynn, LLC
1411 Gervais Street, Suite 300
P.O. Box 11509
Columbia, SC 29211

RE: N/E \$31,000,000 of Clemson University Athletic Facilities Revenue Bonds, Series 2024

Project Name: Jervey Athletic Center Renovations and Performance and Wellness Center Addition Project.

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


COUNTY OF PICKENS

I, the undersigned, Executive Secretary to the Board of Trustees of Clemson University, South Carolina, DO HEREBY CERTIFY:

That the foregoing constitutes a true, correct and verbatim copy of a Bond Resolution adopted by said Board at a meeting duly called and held on April 16, 1999, at which meeting a majority of the members of said Board were present, and voted in favor of the adoption thereof, and such Resolution was duly adopted. Said Resolution has not been amended and remains in full force and effect.

That the original of said Resolution is duly entered in the permanent records of said Board, in my custody as such Secretary.

IN WITNESS WHEREOF, I have hereunto set my Hand this 28th day of June, 2001.



Executive Secretary to the Board of Trustees

A RESOLUTION

PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.

BOND RESOLUTION

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BE IT RESOLVED BY THE BOARD OF TRUSTEES OF CLEMSON UNIVERSITY IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

Section 1.01 Recitals and Statement of Purpose.

Incident to the adoption of this Resolution (hereinafter, the "Bond Resolution"), and the issuance from time to time of the bonds provided for herein, the Board of Trustees of Clemson University (the "Board of Trustees"), the governing body of Clemson University, South Carolina (the "University"), finds, as a fact, that each of the statements hereinafter set forth in this Article I is in all respects true and correct.

(A) The Board of Trustees is a body politic and corporate of the State of South Carolina (the "State") and an institution of higher learning, having been established pursuant to the provisions of Act No. 166 of the General Assembly of the State of South Carolina for the year 1889, now codified as Chapter 119 of Title 59 of the Code of Laws of South Carolina 1976, as amended (the "State Code").

(B) Article X, Section 13, paragraph (9) of the Constitution of the State of South Carolina 1895, as amended (the "Constitution"), provides that the General Assembly of the State of South Carolina may authorize any institution of the State to incur indebtedness for any public purpose payable solely from a revenue producing project or from a special source, which source does not involve revenue from any tax.

(C) Pursuant to Chapter 119 of Title 59 of the State Code, the University is under the management and control of the Board of Trustees. The specific powers by which the Board of Trustees adopt this Bond Resolution are set forth in Article 9 of said Chapter 119 of Title 59 (the "Enabling Act").

(D) The Board of Trustees is authorized by the Enabling Act to construct and improve certain facilities of the University designated by the Board of Trustees as intercollegiate athletic facilities ("Athletic Facilities") and to issue bonds payable from certain revenues of the Athletic Department of the University (the "Athletic Department") in order to finance such construction and improvement and to refund or advance refund outstanding revenue bonds issued pursuant to the Enabling Act. In this connection, the Board of Trustees has determined that construction and renovation of certain Athletic Facilities is now necessary and will be necessary from time to time in the future.

(E) The Board of Trustees is further authorized by the Enabling Act to further secure such bonds of the University payable from certain revenues of the Athletic Department by the pledge of the receipts of (i) such admissions fees as may be imposed by the Board of Trustees upon persons admitted to any event held at any Athletic Facilities for the purpose of providing assistance in the repayment of bonds ("Admissions Fee") and (ii) such special student fees as may be imposed by the Board of Trustees upon persons in attendance at any academic session of Clemson for the purpose of providing assistance in the repayment of bonds ("Special Student Fee").

(F) The only indebtedness of the University payable from the revenues of the Athletic Department, the Admissions Fee or the Special Student Fee is the outstanding \$1,035,000 principal amount of the \$6,935,000 original principal amount Clemson University, South Carolina Stadium Refunding Bonds, Series 1992 (the "Senior Lien Bonds"), which matures on May 1, 2000.

(G) Based on the foregoing, it has been determined to adopt this Bond Resolution for the purpose of permitting the University to issue bonds hereunder from time to time for the primary purposes of

constructing or renovating Athletic Facilities and for refunding bonds issued hereunder. The pledges and liens securing such bonds shall be junior and subordinate in all respects to the pledges and liens securing repayment of the Senior Lien Bonds. At such time as the Senior Lien Bonds are no longer outstanding, the bonds issued pursuant to the authority of this Bond Resolution shall be secured by a first and priority pledge and lien upon the revenues and receipts provided for herein.

[End of Article I]

ARTICLE II

DEFINITIONS, CONSTRUCTION AND INTERPRETATIONS

Section 2.01 Definition of Bond Resolution.

This resolution, and any amendments or supplements hereto, may be hereafter cited and is hereinafter referred to as the Bond Resolution or the Resolution, and is the resolution pursuant to which all bonds of the University, to be issued pursuant to the Enabling Act, shall be issued and secured, including bonds issued for the purpose of refunding, by exchange or otherwise, all or any of the outstanding bonds hereafter issued pursuant to this Bond Resolution.

Section 2.02 Other Defined Terms.

The following are defined terms under this Resolution and shall for all purposes hereof have the meanings herein specified unless the context clearly otherwise requires:

“Accrete Value” shall mean the amounts set forth in and the amounts computed pursuant to a formula set forth in a Series Resolution authorizing the issuance of Bonds in the form of Capital Appreciation Bonds, the Accreted Value of which is being determined.

“Accountants” shall mean an independent firm of certified public accountants of suitable standing, or the Office of the Auditor of the State of South Carolina, which audits the books and accounts of the University relating to the Facilities.

“Admissions Fee” shall mean any specially designated admissions fee or charge which may, in addition to other charges, be imposed by the Board of Trustees in its discretion upon persons admitted to any event held at any of the Athletic Facilities, for the purpose of providing funds to assist in the repayment of the Bonds.

“Annual Budget” shall mean the budget or amended budget adopted annually by the Board of Trustees for the ensuing Fiscal Year of the University.

“Annual Principal and Interest Requirement” shall mean, with respect to the annual period in question and to a Series of Bonds, an amount (other than amounts paid from proceeds of Bonds) equal to the sum of (1) all interest payable on such Series of Bonds during such period, less any such interest which has been capitalized in accordance with the terms of this Bond Resolution, plus (2) any Principal Installments of such Series of Bonds during such period; provided, however, with respect to any Principal Installment (whether maturing in such particular Fiscal Year or in a subsequent Fiscal Year) of a Series of Partially Amortizing Bonds, equaling 25% or more of the principal of such Series of Partially Amortizing Bonds, the amount of the principal which would be payable during such Fiscal Year shall be computed as if such principal were amortized from the date of issuance thereof over a period of twenty (20) years or the actual maturity of such Partially Amortizing Bonds, whichever is greater, on a level debt service basis at an interest rate equal to the rate borne by such Partially Amortizing Bonds on the date calculated, except that if the date of calculation is within twelve (12) months of the actual maturity of such Partially Amortizing Bonds, the full amount of the Principal Installment payable at maturity (less any sinking fund established therefor and deposited with the Trustee for such Bonds) shall be included in such calculation. For purposes of computing “Annual Principal and Interest Requirement,” the rate of interest used to determine (1) above shall be a rate per annum equal to (a) with respect to any Series of Bonds which bear interest at a fixed rate or rates, the rate or rates of interest borne or to be borne by such Bonds, and (b) with respect to any Series of Variable Rate Bonds, the following methods shall determine the interest rate to be used:

(i) in the case of determining the Annual Principal and Interest Requirement or the Combined Principal and Interest Requirement, as the case may be, for purposes of Sections 4.02(A) (7) of this Bond Resolution, the interest rate shall be equal to the 30-year Revenue Bond Index published by The Bond Buyer no more than two (2) weeks prior to, but in no event after, the sale of the proposed Series of Bonds to be issued; and

(ii) in the case of determining the Combined Annual Principal and Interest Requirement for purposes of applying the rate covenants contained in Sections 5.01(B), 5.01(C) and 6.01 of this Bond Resolution, the interest rate shall be equal to the maximum interest rate prevailing on such Variable Rate Bonds for the preceding twelve-month period;

provided, however, that if the 30-year Revenue Bond Index referred to in (i) above is no longer published, any reasonably equivalent nationally recognized index published for the periods in question may be selected by the Chief Financial Officer for use in its stead.

“Authorized Investments” shall mean those investments authorized for investment of State funds under Section 11-9-660, Code of Laws of South Carolina 1976, as now or hereafter amended from time to time.

“Athletic Department” shall mean the Athletic Department of the University.

“Athletic Facilities” shall mean all of the facilities of the University designated from time to time by the Board of Trustees as intercollegiate athletic facilities, including any facilities providing support for facilities where intercollegiate events are held, including without limitation any related infrastructure and any administration, maintenance, practice, training, physical therapy and related facilities of the Athletic Department, whether now owned or are hereafter acquired by the University.

“Board of Trustees” shall mean the Board of Trustees of Clemson University, or any successor body.

“Bond Counsel” shall mean any firm of attorneys which is nationally recognized as bond counsel in the field of public finance.

“Bond Insurance Policy” shall mean any municipal bond insurance policy insuring the payment, when due, of the principal of and interest on a Series of Bonds.

“Bond Insurer” shall mean, with respect to a Series of Bonds, an insurance company that has issued its Bond Insurance Policy with respect to such Series of Bonds.

“Bond Payment Date” shall mean the dates on which interest on any of the Bonds shall be payable or on which both principal and interest shall be payable on any of the Bonds, all as set forth in the Series Resolutions authorizing the issuance of the respective Series of Bonds.

“Bondholder” or **“Holder”**, or any similar term, when used with reference to the Bonds, shall mean any person who shall be the registered owner of any Outstanding Bond or in the case of Bonds issued in bearer form in accordance with Section 4.19 hereof, the holder of any such Bond.

“Bonds” shall mean any indebtedness of the University issued in accordance with the provisions of the Enabling Act, this Bond Resolution and a Series Resolution, but not including Junior Lien Bonds.

"Business Day" shall mean, except as set forth in a Series Resolution with respect to the Series of Bonds issued thereunder, any day other than a Saturday, a Sunday or a day on which banking institutions in the State or in the State of New York are required or authorized by law (including executive orders) to close.

"Capital Appreciation Bonds" shall mean Bonds that bear interest payable at maturity, upon redemption prior to maturity or prior to maturity at the date set forth in the Series Resolution authorizing the issuance of such Bonds in the amounts determined by reference to the Accreted Value of such Capital Appreciation Bonds in accordance with the provisions of the Series Resolution authorizing the issuance of such Capital Appreciation Bonds.

"Chairman" shall mean the Chairman of the Board of Trustees. The term shall include the Vice Chairman or Acting Chairman whenever by reason of absence, illness or other reason, the person who is the Chairman is unable to act.

"Chief Financial Officer" shall mean the individual to whom the Board of Trustees has delegated the responsibility of supervising and maintaining records and accounts relating to the collection and disbursement of the Revenues.

"Code" shall mean the Internal Revenue Code of 1986, as the amended from time to time. References to the Code and sections of the Code include relevant applicable regulations, temporary regulations and proposed regulations thereunder and under the Internal Revenue Code of 1954, as amended, and any successor provisions to those sections, regulations, temporary regulations or proposed regulations.

"Combined Annual Principal and Interest Requirement" shall mean, with respect to any particular Fiscal Year, the sum of the Annual Principal and Interest Requirements on all Bonds Outstanding.

"Counsel" shall mean an attorney duly admitted to practice law before the highest court in South Carolina, who is not a full time employee of the University or the State, but may include an opinion issued by the Office of the Attorney General of South Carolina.

"Date of Issue" shall mean that date established in any Series Resolution from which interest shall accrue on the Bonds of the applicable Series.

"Debt Service Fund" shall mean the fund so designated pursuant to a Series Resolution and designed to provide for the payment of the principal of and interest on a particular Series of Bonds issued pursuant to this Bond Resolution, as the same fall due, and as established pursuant to the provisions of Section 7.03 hereof.

"Debt Service Reserve Fund" shall mean the fund, if any, so designated pursuant to a Series Resolution and designed (1) to insure the timely payment of the principal of and interest on a particular Series of Bonds Outstanding and issued pursuant to this Bond Resolution, and (2) to provide for the redemption of such Series of Outstanding Bonds prior to their stated maturity, as established by the provisions of Section 7.04 hereof.

"Enabling Act" shall mean Article 9 of Chapter 119, Title 59, Code of Laws of South Carolina 1976, as amended.

"Fiscal Year" shall mean the period of twelve calendar months, beginning on July 1st of each year and ending with June 30th of the succeeding year, unless the same shall have been changed by the Board of Trustees pursuant to the authorization of Section 3.01 hereof.

“Government Obligations” shall mean and include direct general obligations of the United States of America or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America.

“Improvement Fund” shall mean the fund established pursuant to Section 7.05 hereof.

“Joint Bond Review Committee” shall mean the Joint Bond Review Committee of South Carolina.

“Junior Lien Bonds” shall mean any revenue bonds or other obligations issued by the University and referred to in Section 6.01 hereof and which are secured by pledges of or liens on the Revenues, the Admissions Fee or the Special Student Fee which are junior and subordinate in all respects to the pledges and liens made to secure the Bonds.

“Moody’s” shall mean Moody’s Investors Service, Inc. and its successors.

“Net Revenues” shall mean for the period in question, all Revenues remaining after payment of the operating and maintenance expenses of the Athletic Department and the Athletic Facilities but before provision is made for depreciation, amortization, nonmandatory transfers and interest expenses of the Athletic Department for a given fiscal year; provided that there shall be excluded from the calculation made to determine Net Revenues:

- (i) gains or losses on the sale or other disposition of investments of fixed or capital assets which do not result from the ordinary course of business; and
- (ii) any amounts paid as debt service on the Senior Lien Bonds as provided in Section 8.03 hereof.

“Operation and Maintenance Fund” shall mean the fund to be established pursuant to Section 7.02 hereof.

“Outstanding”, when used with reference to the Bonds, shall mean, as of any date, all such Bonds theretofore or then being authenticated and delivered except:

- (a) Bonds paid or redeemed and cancelled at or prior to such date;
- (b) Bonds in lieu of or in substitution for which other bonds shall have been executed and delivered;
- (c) Bonds deemed to have been paid as provided in Article XVI hereof; and
- (d) for purposes of any consent or other action to be taken by the Holders of a specified percentage of the Bonds, Bonds held by, or for the account of, the University, or by any person controlling, controlled by or under common control with the University.

“Partially Amortizing Bonds” shall mean a Series of Bonds twenty-five percent (25%) or more of the principal payments of which are due in a single Fiscal Year, which portion of the principal is not required by the Series Resolution providing for their issuance to be paid by redemption prior to such maturity date.

"Paying Agent" shall mean the State Treasurer or any bank or trust company appointed by the University from time to time as Paying Agent or Paying Agents in accordance with Section 15.14 hereof to serve as Paying Agent for one or more Series of Bonds issued hereunder.

"Principal Installment" shall mean, as of any date of calculation, (i) the aggregate principal amount of Outstanding Bonds stated to mature on a certain date, reduced by the aggregate principal amount of such Bonds which will be retired by reason of any mandatory sinking fund payment payable before such date, plus (ii) any mandatory sinking fund payment due on such certain date, together with the aggregate amount of the premiums, if any, applicable to such mandatory sinking fund payments, plus (iii) with respect to any Capital Appreciation Bonds required to be paid on such certain date, the Accreted Value as of such certain date of such Capital Appreciation Bonds; and in this latter respect, any reference to "principal" of Bonds in this Bond Resolution shall mean, with respect to Capital Appreciation Bonds, the Accreted Value of such Capital Appreciation Bonds.

"Registrar" shall mean the State Treasurer or any bank or trust company appointed by the University from time to time as Registrar or Registrars in accordance with Section 15.13 hereof to serve as Registrar for one or more Series of Bonds issued hereunder.

"Reserve Requirement" shall mean, as of any date of calculation, the debt service reserve requirement, if any, established by a Series Resolution with respect to a particular Series of Bonds.

"Revenues" means (i) all revenues or other income received by the Athletic Department from the operation of the Athletic Department and the Athletic Facilities, including without limitation amounts received from the sale of tickets for and guarantees with respect to intercollegiate athletic events, from any athletic conference (collectively, the "Conference") with respect to the University's share of proceeds from Conference members' television and bowl appearances, from the University's participation in Conference and National Collegiate Athletic Association tournaments, from rentals of executive boxes at Athletic Facilities, from sales of game programs and concessions, or commissions therefrom, from the University's sports radio and television rights, from corporate sponsorships, and from license fees, (ii) all gifts, bequests, contributions and donations received by the Board of Trustees or the University from any persons, including from any athletic booster organization, for use in connection with the operations of the Athletic Department, (iii) any other unrestricted revenues of the Athletic Department not otherwise pledged that may be made applicable by the Board of Trustees to the payment of the principal and interest of the Bonds including such revenues which may fall into the category of non-mandatory transfers as such term is used in generally accepted accounting principles and (iv) all income from the investment of the above; but excluding:

(i) gifts, bequests, contributions and donations restricted to a particular purpose inconsistent with their use for the payment of the principal, premium or interest on the Bonds;

(ii) the proceeds of any borrowings;

(iii) State appropriations of any sort; and

(iv) investment income restricted to a purpose inconsistent with the payment of operating expenses of the Athletic Department or debt service on Bonds including (whether or not so restricted) interest earned on any construction fund or construction account created with the proceeds of borrowing by the University.

"S&P" means Standard & Poor's Corporation and its successors.

"Secretary" shall mean the Secretary of the Board of Trustees. The term shall include the Acting Secretary or the Assistant Secretary whenever by reason of absence, illness or other reason, the person who is the Secretary is unable to act.

"Senior Lien Bond Resolution" shall mean the resolution of the Board of Trustees adopted May 15, 1985 and entitled "A Resolution Providing for the Issuance and Sale of Revenue Bonds of Clemson University for the Purpose of Refunding Outstanding Indebtedness Relating to Memorial Stadium at Clemson University, Making Provision for the Financing of Future Improvements and Enlargements to Athletic Department Facilities at Clemson University and Providing for Other Matters Relating Thereto" providing for the issuance of the Senior Lien Bonds.

"Senior Lien Bonds" shall mean the \$6,935,000 original principal amount Clemson University, South Carolina Stadium Refunding Revenue Bonds, Series 1992.

"Series" shall mean all of the Bonds authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for (but not to refund) such Bonds as herein provided, regardless of variations in maturity, interest rate or other provisions.

"Series Resolution" shall mean a Resolution of the Board of Trustees authorizing the issuance of a Series of Bonds pursuant to the Bond Resolution in accordance with the terms and provisions hereof, adopted in accordance with the provisions of Article IV hereof.

"Special Student Fee" shall mean any fee as may be established by the Board of Trustees in its discretion from time to time and imposed upon persons in attendance at any academic session of the University in order to provide funds to assist the repayment of the Bonds.

"State" shall mean the State of South Carolina.

"State Board" shall mean the State Budget and Control Board of South Carolina.

"State Treasurer" shall mean the Office of the State Treasurer of South Carolina.

"Trustee" shall initially mean the State Treasurer or such other bank, trust company or financial institution which is authorized by the University and approved by the State Treasurer to serve in such capacity.

"University" shall mean Clemson University, South Carolina.

"Variable Rate Bonds" shall mean, for any period of time, any Bonds which during such period bear interest at a variable rate; provided that Bonds the interest rate on which has been fixed for the remainder of the term thereof shall no longer be Variable Rate Bonds.

Section 2.03 Interpretations.

In this Bond Resolution, unless the context otherwise requires:

(A) Articles, Sections and Paragraphs referred to by number shall mean the corresponding Articles, Sections and Paragraphs of this Bond Resolution.

(B) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations, or other legal entities, including public bodies, as well as natural persons.

(C) The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms, as used in this Bond Resolution refer to this Bond Resolution or Sections or Paragraphs of this Bond Resolution and the term "hereafter" means any date after the date of adoption of this Bond Resolution.

(D) References to the payment of principal of Bonds shall be deemed to include payment of principal both at maturity, upon optional redemption and upon mandatory redemption pursuant to any sinking fund payment obligations.

[End of Article II]

ARTICLE III

FISCAL YEAR

Section 3.01 Establishment and Modification of Fiscal Year.

The Athletic Department shall continue to be operated on a Fiscal Year basis, which, until changed, shall commence on the first (1st) day of July each calendar year and shall end on the thirtieth (30th) day of June of the next calendar year. The University may change the Fiscal Year from that now existing to a different twelve (12) month period.

[End of Article III]

ARTICLE IV

THE BONDS

Section 4.01 Authorization for Bonds in Series.

- (A) To the extent permitted by the Enabling Act, and from time to time and for the purposes of:
- (1) Obtaining funds for the construction of new Athletic Facilities or the permanent improvement, expansion or renovation of existing Athletic Facilities, including payment of capitalized interest during such construction, improvement, expansion or renovation on any Series of Bonds issued for such purposes plus a period not exceeding six (6) months;
 - (2) Providing funds for the payment of any bond anticipation note or notes that may have been issued in anticipation of the issuance and sale of Bonds;
 - (3) Refunding, by exchange or otherwise, Bonds or other obligations issued to provide land or facilities which are or are to become a part of the Athletic Facilities or which are or were payable in whole or in part from revenues of the Athletic Department;
 - (4) Funding any Debt Service Reserve Fund (including the purchase of a surety bond, insurance policy, line of credit or letter of credit as provided under Section 7.04(D) hereof) or restoring the value of the cash and securities in any Debt Service Reserve Fund to an amount equal to the applicable Reserve Requirement;
 - (5) Purchasing or providing for credit enhancement for any Series of Bonds; and
 - (6) Paying costs of issuance of Bonds;

but subject to the terms, limitations and conditions herein, the University may authorize the issuance of a Series of Bonds by the adoption of a Series Resolution. The Bonds of any such Series may be issued and delivered upon compliance with the provisions of this Article. Except as set forth in Section 4.19 hereof, the Bonds of each Series shall be issued in fully registered form, without coupons. The Bonds shall, in addition to bearing the title "Clemson University, South Carolina, Athletic Facilities Revenue Bonds," bear a letter or number Series designation as may be necessary to distinguish them from the Bonds of every other Series and shall designate the year in which the Series is issued. Bonds of any Series may be authorized to be issued in the form of serial Bonds or term Bonds, with or without mandatory sinking fund payments, or both.

(B) Each Series Resolution shall include a determination by the University to the effect that the issuance of such Series of Bonds is necessary to provide funds to be used and expended to construct improvements to the Facilities or to refund Bonds. Each Series Resolution shall specify and determine:

- (1) The Date of Issue of such Series of Bonds;
- (2) The maximum authorized principal amount of such Series of Bonds;
- (3) The date of the final payment of principal of such Series of Bonds;
- (4) The purpose for which such Series of Bonds is being issued, which shall be to provide funds for the purposes authorized by the Enabling Act and this Bond Resolution;

- (5) The title and designation of the Bonds of such Series;
- (6) The manner in which Bonds of such Series are to be sold and provisions for the sale thereof;
- (7) The manner of numbering and lettering, and the denomination or denominations of the Bonds of such Series;
- (8) The date or dates of maturity and the amounts for each Series of Bonds or the manner in which such will be determined;
- (9) The interest rate or rates, or the manner of determining such rate or rates, of the Bonds of such Series;
- (10) The time for the payment of interest on the Bonds in such Series and the record date for the same;
- (11) The redemption price or redemption prices and the redemption date or redemption dates and other terms of redemption (if any) applicable to any of the Bonds of such Series or the manner in which such will be determined;
- (12) The Paying Agent and Registrar, or manner of selecting the same, for such Bonds if other than the Trustee;
- (13) The portion of such Series that are serial Bonds and term Bonds, if any, including the amount and date of each mandatory redemption or sinking fund installment, if any, required by such Series Resolution to be paid for the retirement of any such Bonds or the manner in which such will be determined;
- (14) Any other applicable redemption requirement for the Bonds of such Series and the method of satisfying the same;
- (15) The form or forms for the Bonds of such Series;
- (16) Whether such Series of Bonds will be subject to a Reserve Requirement and that such Reserve Requirement has been or will be met;
- (17) The disposition of the proceeds of the sale of the Bonds of such Series and the manner of their application; and
- (18) Any other provisions deemed advisable by the Board of Trustees not in conflict with or in substitution for the provisions of this Bond Resolution.

Section 4.02 Conditions to Issuance of Bonds of a Series.

- (A) All Bonds shall be issued in compliance with the following provisions of this Section 4.02:
 - (1) Bonds shall be stated to mature and/or have mandatory or sinking fund redemptions on the dates, in the years and in the amounts prescribed or approved by the Series Resolution;

(2) Bonds shall bear interest at the rates and on the occasions prescribed by the Series Resolution;

(3) Bonds shall be issued for a purpose or purposes set forth in Section 4.01(A)(1) through (6) hereof;

(4) There shall exist, on the occasion of the issuance of the Bonds, no default (a) in the payment of the principal of or interest on the Senior Lien Bonds, any Bonds or Junior Lien Bonds then Outstanding, or (b) under any other covenants or conditions of this Bond Resolution;

(5) The University shall obtain an opinion of Bond Counsel to the effect that (a) this Bond Resolution and the applicable Series Resolution have been duly and lawfully adopted and are in full force and effect; (b) the Bonds have been duly and lawfully authorized and executed by the University and are valid and binding upon, and enforceable against, the University (except to the extent that the enforceability thereof may be limited by the operation of bankruptcy, insolvency and similar laws affecting rights and remedies of creditors); (c) with respect to such Bonds, this Bond Resolution creates the valid pledge which it purports to create of the revenues and of moneys and securities on deposit in any of the funds and accounts established hereunder subject to the application thereof to the purposes and on the conditions permitted by this Bond Resolution; and (d) upon the execution and delivery thereof, such Bonds will have been duly and validly authorized and issued in accordance with this Bond Resolution;

(6) Unless on the date of delivery of such Series of Bonds there shall be on deposit in each required Debt Service Reserve Fund an amount equal to the applicable Reserve Requirement immediately following the issuance of such Series of Bonds (whether in the form of cash or a qualified surety bond, insurance policy, line of credit or letter of credit in lieu thereof in accordance with Section 7.04(D) hereof), there shall be deposited in the applicable Debt Service Reserve Funds such amounts, or a qualified substitute in accordance with Section 7.04(D) hereof shall be provided, as are necessary to make the value of the moneys and securities or such qualified substitute in such Debt Service Reserve Funds equal to the applicable Reserve Requirement;

(7) Except in the case of the initial Series of Bonds issued pursuant to this Bond Resolution and Bonds issued for the purpose of refunding any Bonds (unless the provisions of Section 4.02(B)(2) hereof shall be applied):

Net Revenues plus gross receipts from the imposition of any Admissions Fee and any Special Student Fee during the most recent Fiscal Year for which audited financial statements of the University are completed shall be certified by the Chief Financial Officer on the basis of such audited financial statements to be, in the aggregate, not less than one hundred ten percent (110%) of the maximum Combined Annual Principal and Interest Requirement on all Bonds Outstanding immediately prior to the issuance of such proposed Series of Bonds and on such proposed Series of Bonds. For purposes of this Section 4.02(7), such Net Revenues and gross receipts from the imposition of any Admissions Fee and any Special Student Fee may be adjusted to reflect (1) any ticket, rate or fee increases currently adopted and to be in effect prior to or coincident with the issuance of such proposed Series of Bonds and determined pro forma as though such ticket, rate or fee increases had been in continuous effect during such recent Fiscal Year, (2) in the event proceeds of such proposed Series of Bonds will be used to pay interest on such proposed Series, one hundred percent (100%) of the interest that will accrue on such Series of Bonds during the first twelve (12) full months following the date of delivery of the proposed Series and that will be paid from such proceeds, provided, however, that any such interest accruing in such twelve (12) month

period that is to be paid on a date within the Fiscal Year of maximum Combined Annual Principal and Interest Requirements shall not be so added into such Net Revenues and gross receipts from the imposition of any Admissions Fee and any Special Student Fee, and (3) any amount allowed by clause (2) of this Section 4.02(7) as an adjustment with respect to a previously-issued Series of Bonds if the proposed Series of Bonds is being issued prior to the end of the Fiscal Year in which capitalized interest on the previously issued Series of Bonds is exhausted;

(8) (a) The University shall obtain an opinion of Bond Counsel to the effect that such Bonds are valid and binding obligations of the University payable from the Net Revenues and gross receipts from the imposition of any Admissions Fee and any Special Student Fee and are being issued for purposes authorized by the Enabling Act; and

(b) Except as to Bonds issued only for the purpose of refunding any Bonds, the University shall obtain an opinion of Counsel to the effect that the title to any tract of land to be acquired with any part of the proceeds of such Bonds shall be good and marketable, and will vest in the University either a (a) fee simple title, or (b) leasehold estate, which shall extend at least one (1) year beyond the maturity date of the last maturing of the Bonds of such Series and the Bonds then to be Outstanding;

(9) If any Series of Bonds shall contain Variable Rate Bonds:

(a) The Series Resolution may provide for and specify a maximum interest rate on (i) such Bonds and (ii) any reimbursement obligation to a liquidity provider for such Bonds;

(b) The liquidity provider for such Bonds shall be rated in either of the two highest short term rating categories by Moody's and S&P; and

(c) Any accelerated principal payments or any interest computed at a rate in excess of that on such Bonds due to the liquidity provider for such Bonds pursuant to any reimbursement agreement with such liquidity provider shall be subordinate to the payment of debt service on all Bonds; provided, however, if the tests referred to in Section 4.02(A)(7) and 4.02(B), as applicable, of this Bond Resolution are calculated (and met) assuming such accelerated principal payment and such excess interest amount to the liquidity provider, then such accelerated principal payment and excess interest amount may be on a parity with the payment of debt service on all Bonds.

(10) All amounts owing under a reimbursement agreement with any provider of a surety bond, insurance policy, line of credit or letter of credit as contemplated under Section 7.04(D) hereof shall have been paid.

(11) The issuance of the Bonds shall have been approved by the State Board and reviewed by the Joint Bond Review Committee if so required by the Enabling Act or any successor provision.

(B) In the case of Bonds issued for the purpose of refunding any Bonds, either:

(1) The Annual Principal and Interest Requirements of the refunding Bonds shall not exceed the annual Principal and Interest Requirements of the refunded Bonds until a time

subsequent to the last maturity of Bonds not refunded and which remain Outstanding following the issuance of the refunding Bonds; or

(2) The University shall comply with the revenue test prescribed by Section 4.02(A)(7) above.

Section 4.03 Reliance Upon Certificates Establishing Revenues.

Both the University and any purchaser of any Bonds shall be entitled to rely upon certificates of the Chief Financial Officer and of the Accountants, made in good faith, pursuant to any provision of this Article.

Section 4.04 Execution of Bonds.

(A) Unless otherwise prescribed by any Series Resolution, the Bonds shall be executed in the name of and on behalf of the University by the Chairman of the Board of Trustees, the corporate seal of the University shall be impressed or reproduced thereon and the same shall be attested by the Secretary of the Board of Trustees. Such officers may employ facsimiles of their signatures and of the seal. The Bonds shall be signed by a person holding office at the time the Bonds are printed and are ready for delivery.

(B) In case any officer whose signature or facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signatures or such facsimiles shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office.

Section 4.05 Authentication.

Only such Bonds as shall have endorsed thereon a certificate of authentication duly executed by the Registrar shall be entitled to any right or benefit under this Bond Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Registrar, and such executed certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Bond Resolution. The Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by any authorized officer of the Registrar.

Section 4.06 Medium of Payment.

The Bonds shall be payable with respect to principal, interest and premium, if any, in lawful money of the United States of America.

Section 4.07 Mutilated, Lost, Stolen or Destroyed Bonds.

In the event any Bond is mutilated, lost, stolen or destroyed, the University may execute and the Registrar may authenticate a new Bond of the same Series of like date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the University and to the Registrar evidence of such loss, theft or destruction satisfactory to the University and the Registrar together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the University may pay the same. The University and the Registrar may charge the Holder of such Bond with their reasonable fees and expenses in this connection.

Section 4.08 Transfer and Registry; Persons Treated as Owners.

(A) As long as any Bonds shall be Outstanding, the University shall cause books for the registration and for the transfer of Bonds to be kept. Such books shall be kept by the Registrar for each particular Series of Bonds at the corporate trust office of such Registrar. The transfer of each Bond may be registered only upon the registration books of the University kept by the Registrar for that purpose by the Holder thereof in person or by his duly authorized attorney upon surrender thereof and an assignment with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder or his duly authorized attorney. Upon the registration or transfer of any Bond, the Registrar will authenticate and deliver, subject to the provisions of Section 4.11 hereof, in the name of the transferee, a new Bond or Bonds of the same aggregate principal amount, maturity and interest rate as the surrendered Bond.

(B) The University, the Trustee, the Paying Agent, if any, and the Registrar may deem and treat the person in whose name any Bond shall be registered upon the registration books of the University as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium (if any) and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or, upon his order, 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 none of the University, the Trustee, the Paying Agent and Registrar shall be affected by any notice to the contrary.

(C) Notwithstanding anything in paragraphs (A) and (B) of this Section to the contrary, Bonds may be issued from time to time as non-registered coupon bonds under the circumstances described in Section 4.19 hereof or where, in the opinion of nationally-recognized bond counsel, they may be so issued as federally tax-exempt obligations.

Section 4.09 Date and Payment Provisions.

Each Bond of a Series shall bear interest from its date and shall be dated as of the interest payment date next preceding the date of its authentication, unless authentication shall be upon an interest payment date, in which case it shall be dated as of the date of its authentication, or unless authentication shall precede the first payment of interest on the Bonds of such Series, in which case it shall be dated as of the date provided in the Series Resolution as the initial dating of the Bonds of such Series; provided, however, that if at the time of authentication of any Bond, any interest on such Bond is in default, such Bond shall be dated as of the date to which interest on such Bond has been paid.

Section 4.10 Interchangeability of Bonds.

Bonds of a Series, upon surrender thereof at the office of the Registrar for the Bonds of such Series with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder or his duly authorized attorney, may, at the option of the Holder and upon payment by such Holder of any charges made pursuant to Section 4.11 hereof, be exchanged for an equal aggregate principal amount of Bonds of such Series of any other authorized denominations.

Section 4.11 Regulations With Respect to Exchanges and Transfers.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the University shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled and destroyed and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Registrar to the University. All Bonds so destroyed shall thereafter no longer be considered Outstanding for any purposes of this Bond Resolution. There shall be no charge to the

Holder for such exchange or transfer of Bonds except that the Registrar may make a charge sufficient to reimburse itself for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the University nor the Registrar shall be required to issue, exchange or transfer (i) any Bond during the fifteen (15) days immediately preceding any Bond Payment Date, (ii) any Bond during a period beginning at the opening of business fifteen (15) days immediately preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of the notice of such redemption, or (iii) any Bonds called for redemption in whole or in part.

Section 4.12 Cancellation and Destruction of Mutilated, Paid or Surrendered Bonds.

Upon the surrender of mutilated Bonds pursuant to Section 4.07 hereof, or Bonds paid or surrendered, the same shall be cancelled and destroyed and shall not be reissued, and a counterpart of the certificate evidencing such destruction shall be furnished by the Registrar to the University. All Bonds so destroyed shall thereafter no longer be considered Outstanding for any purposes of this Bond Resolution.

Section 4.13 Notice of Redemption.

If any of the Bonds, or portions thereof, are called for redemption, the Registrar shall give or cause to be given notice to the Holders of any Bonds to be redeemed, in the name of the University, of the redemption of such Bonds, or portions thereof, which notice shall specify the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of such Series are to be redeemed, the numbers of the Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall be given by mailing a copy of the redemption notice by first class mail at least thirty (30) days prior to the date fixed for redemption to the Holder of each Bond to be redeemed, at the address shown on the registration books; provided, however, that failure to give such notice by mail, or any defect in the notice mailed to the Holder of any Bond, shall not affect the validity of the proceedings for the redemption of any other Bond.

Provided funds for their redemption are on deposit with the Trustee, all Bonds so called for redemption shall cease to bear interest on the specified redemption date and shall no longer be deemed to be Outstanding hereunder. If said money shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 4.14 Cancellation of Bonds Which Have Been Redeemed.

All Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Registrar to the University. All Bonds so destroyed shall thereafter no longer be considered Outstanding for any purposes of this Bond Resolution.

Section 4.15 Selection of Bonds to be Redeemed.

In the event of redemption of less than all of the Bonds of a Series of any maturity, the Bonds or portions of Bonds to be redeemed, shall be selected by the Registrar by lot; provided, however, that the portion of any Bond of a denomination which is larger than the minimum denomination for the Bonds of such Series shall be in the principal amount of such minimum denomination or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Registrar shall treat each such Bond as representing that number of Bonds of minimum denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by the amount of the minimum denomination. If there shall be drawn for

redemption less than all of a Bond, the University shall execute and the Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of the same Series in any authorized denomination.

Section 4.16 Purchase of Bonds.

The Trustee shall, if and to the extent practicable, purchase Bonds at the written direction of the University at such time, in such manner and at such price as may be specified by the University. The Trustee may so purchase Bonds with any money then held by the Trustee which is available for the redemption or purchase of Bonds and in excess of that set aside for the payment of Bonds called for redemption; provided, that the Trustee is provided with an opinion of Bond Counsel to the effect that such redemption or purchase complies with any limitations or restrictions on such redemption or purchase contained in this Bond Resolution.

Section 4.17 Security for Payment of Bonds: Priority of Pledge.

The Bonds shall be payable solely from, and are hereby declared to be secured by a pledge of, the Net Revenues and the gross receipts from the imposition of any Admissions Fee and any Special Student Fee. Such pledges securing the Bonds shall at all times and in all respects be and remain superior to pledges made to secure any other bonds or other obligations payable from such proceeds, except the pledge and lien securing the Senior Lien Bonds, which pledge and lien securing the Senior Lien Bonds shall be and remain superior to the pledge provided in this Section as to the Bonds.

Section 4.18 Bonds in Book-Entry Form.

Notwithstanding any other provision of this Bond Resolution with respect to the form of Bonds to the contrary, the University is hereby authorized to provide by Series Resolution for the issuance of one or more Series of Bonds solely in fully registered form registrable to a depository, a nominee or the beneficial owner of the Bonds. The University is further authorized to provide by Series Resolution that such Series of Bonds shall be evidenced by one or more certificates or by a system of book entries in form satisfactory to the Chief Financial Officer and to provide for payment, redemption, notices and like provisions in a manner consistent with such system of registration.

Section 4.19 Bonds Issued as Taxable Obligations.

Notwithstanding anything in this Bond Resolution to the contrary, the University may from time to time, pursuant to one or more Series Resolutions, provide for the issuance of Bonds the interest on which may be includable in gross income of the Holders of such Bonds for federal income taxation purposes. In such event, such Bonds may be issued as coupon bonds, payable to bearer, as provided in the applicable Series Resolution. Such Series Resolution may provide for such rules and regulations with respect to the ownership, transfer and substitution of such Bonds as are necessary to accomplish the purposes consistent with the issuance of bearer obligations.

Section 4.20 Restriction on Optional Redemption.

Notwithstanding anything in this Bond Resolution to the contrary, no redemption of Bonds which is at the option of the University may be effected unless all amounts owing under a reimbursement agreement with any provider of a surety bond, insurance policy, line of credit or letter of credit as contemplated under Section 7.04(D) hereof shall have been paid in full.

Section 4.21 Waiver of Certain Provisions.

Notwithstanding anything in this Bond Resolution to the contrary, whenever all of the debt issued or all of the obligations incurred by the University under a Series Resolution are acquired by and are to be held to maturity by a single entity, that single entity, at its sole option, may waive any provision or requirement of this Bond Resolution that relates separately to the applicable Series of Bonds and is for the protection and benefit of such single entity only and not for the protection or benefit of any other Holder or Holders of Bonds; provided, however, that before any such waiver shall become effective, the University and the Trustee shall receive an opinion of Bond Counsel that such waiver will not adversely affect the security provided under this Bond Resolution to any other Holder or Holders of Bonds.

Section 4.22 Payments Due on Saturdays, Sundays and Holidays.

In any case where the Bond Payment Date or the date fixed for redemption of any Bonds 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 principal of, premium, if any, or interest on the Bonds need not be made on such date but may be made on the next succeeding Business Day which is not a Saturday, Sunday or 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 or the date fixed for redemption, and no interest shall accrue for the period after such date.

[End of Article IV]

ARTICLE V

RATES AND CHARGES

Section 5.01 Rate Covenants.

(A) The University specifically covenants and agrees to maintain and collect rates and charges for attendance at events held at any Athletic Facilities which, when combined with other Revenues and the gross receipts of any Admissions Fee and any Special Student Fee, shall at all times be sufficient:

(1) To provide for the payment of the expenses of administration of the Athletic Department and such expenses for operation and maintenance of the Athletic Facilities as may be necessary to preserve the same in good repair and condition;

(2) To provide for the punctual payment of the principal of and interest on the Senior Lien Bonds, all Bonds and any Junior Lien Bonds that may from time to time hereafter be Outstanding;

(3) To maintain all Debt Service Funds and thus provide for the punctual payment of the principal of and interest on the Bonds;

(4) To maintain any and all Debt Service Reserve Funds in the manner herein prescribed;

(5) To build and maintain a reserve for contingencies and for improvements, renovations and expansions of the Athletic Facilities other than those necessary to maintain the same in good repair and condition;

(6) To pay all amounts owing under a reimbursement agreement with any provider of a surety bond, insurance policy, line of credit, letter of credit or similar instrument as contemplated under Section 7.04(D) hereof; and

(7) To discharge all obligations imposed by the Enabling Act and by this Bond Resolution.

(B) The University further covenants and agrees that it will at all times prescribe and maintain rates and thereafter collect charges in accordance with such rates and charges for attendance at events held at any Athletic Facilities or the use thereof which are reasonably expected to yield, along with all other Revenues, annual Net Revenues which when added to all gross receipts from the imposition of any Admissions Fee and any Special Student Fee, in the current Fiscal Year equal to at least one hundred percent (100%) of the Combined Annual Principal and Interest Requirement for all Bonds Outstanding in such Fiscal Year; and, promptly upon any material change in the circumstances which were contemplated at the time such rates and charges were most recently reviewed, but not less frequently than once in each Fiscal Year, shall review the rates and charges for such use and shall promptly revise such rates and charges as necessary to comply with the foregoing requirement.

(C) For each Fiscal Year, the Board of Trustees shall adopt an Annual Budget for such Fiscal Year which shall set forth in reasonable detail the estimated revenues and operating expenses of the Athletic Department for each Fiscal Year and which shall include appropriations for the estimated operating expenses of the Athletic Department for such period and the amount, if any, to be deposited during such Fiscal Year in the Improvement Fund. The Board of Trustees may at any time adopt an amended Annual

Budget for the remainder of the then current Fiscal Year, or may delegate to the Chief Financial Officer the authority to revise rates and charges as may be necessary.

(D) In connection with its covenants and agreements pursuant to this Section, the University shall only be obligated to establish, impose and collect any Admissions Fee or any Special Student Fee to the extent Net Revenues are not otherwise sufficient to enable the University to meet its obligations contained in such covenants and agreements.

[End of Article V]

ARTICLE VI

JUNIOR LIEN BONDS; CLOSING OF SENIOR LIEN BOND RESOLUTION

Section 6.01 Right to Issue Junior Lien Bonds; Accession.

(A) Notwithstanding that Bonds may be Outstanding, the University may without limitation, and free of all conditions, issue Junior Lien Bonds in such amount as it may from time to time determine, payable from the Revenues and the receipts of the imposition of any Admissions Fee and any Special Student Fee; provided that any such pledge of the Revenues and the receipts of any Admissions Fee and any Special Student Fee granted for the protection of said Junior Lien Bonds shall at all times be subordinate and inferior in all respects to the pledges of Net Revenues and the receipts of any Admissions Fee and any Special Student Fee made or authorized for the Bonds hereunder, and provided, further, that the maturity of Junior Lien Bonds may not be accelerated and paid in full unless all of the Bonds shall have been paid or provision therefor has been made pursuant to Article XVI hereof.

(B) Any Junior Lien Bonds may be further secured by any other source of payment lawfully available for such purpose.

(C) By proceedings authorizing the issuance of Junior Lien Bonds, the University may provide for the accession of such Junior Lien Bonds to the status of Bonds provided all of the following conditions are met:

(1) The Junior Lien Bonds were issued for a purpose or purposes set forth in Section 4.01(A) hereof.

(2) There shall exist on the date of accession (a) no default in the payment of the principal of or interest on any Senior Lien Bonds, Bonds or any Junior Lien Bonds then Outstanding and (b) no default in the performance of any duties required under the provisions of this Bond Resolution and (c) no amount owed by the University with respect to the full funding of a Debt Service Reserve Fund, either by way of cash or reimbursement of any other funding mechanism.

(3) The University shall obtain an opinion of Bond Counsel to the effect that (a) this Bond Resolution and the proceedings authorizing such Junior Lien Bonds have been duly adopted and are in full force and effect; (b) the Junior Lien Bonds have been duly and lawfully authorized and executed by the University and are valid and binding upon, and enforceable against, the University (except to the extent that the enforceability thereof may be limited by the operation of bankruptcy, insolvency and similar laws affecting rights and remedies of creditors); and (c) this Bond Resolution creates the valid pledge which it purports to create of the revenues and of moneys and securities on deposit in any of the funds established hereunder subject to the application thereof to the purposes and on the conditions permitted by this Bond Resolution.

(4) There shall be on deposit on the date of accession in a Debt Service Reserve Fund, if any such Debt Service Reserve Fund is required by the resolution authorizing the Junior Lien Bonds, an amount equal to the Reserve Requirement for such Junior Lien Bonds, considering such Junior Lien Bonds to be a Series of Bonds.

(5) There shall be deposited in the Debt Service Fund for such Series of newly-acceded Bonds the amounts which would have been required under the provisions of Section 8.06 hereof to

be accumulated therein on the date of accession if said Junior Lien Bonds had originally been issued as Bonds.

(6) On the date of accession, the earnings tests prescribed by subparagraph 7 of Section 4.02(A) shall have been met.

(7) In the event such Junior Lien Bonds were issued with variable rates, the provisions of subparagraph (9) of Section 4.02(A) shall have been met.

Section 6.02 Closing of Senior Lien Bond Resolution.

In order to maintain the priority of the pledge granted by Section 4.17 hereof, the University covenants, agrees and confirms that it will issue no further bonds or other obligations pursuant to the provisions of the Senior Lien Bond Resolution.

[End of Article VI]

ARTICLE VII

ESTABLISHMENT OF FUNDS

Section 7.01 Requirement for Special Funds.

For so long a time as any sum remains due and payable by way of principal or interest on the Bonds, the accounting system for the Athletic Department shall be so arranged as to reflect the following funds or accounts relating to the revenues of the Athletic Department and such funds or accounts shall be established and maintained, and deposits shall be made therein in the manner herein required. When any of such funds or accounts are not required to be held by the Trustee, they may, if required by State law or otherwise agreed to by the University and the State Treasurer, be held by the State Treasurer on behalf of the University. One or more accounts or subaccounts may be established within any such funds or accounts by the University, the State Treasurer or the Trustee (if other than the State Treasurer), as the case may be, in order to enable the proper administration of such funds or accounts in the judgment of such party.

Section 7.02 Operation and Maintenance Fund.

(A) There shall be established and maintained by the University a fund or account designated as the Operation and Maintenance Fund. This account shall be so maintained as to accurately reflect Revenues and Net Revenues.

(B) All Revenues shall be deposited in accordance with and in the manner prescribed by Article VIII hereof into the Operation and Maintenance Fund. Money in the Operation and Maintenance Fund shall be withdrawn and made use of only in the manner and in the order of priority specified in Article VIII hereof. The Operation and Maintenance Fund is intended to provide for the payment of all expenses incurred in connection with the administration and operation of the Athletic Department and the Athletic Facilities, including, without limiting the generality of the foregoing, such expenses as may be reasonably necessary to preserve the Athletic Facilities in good repair and condition and to pay the fees and charges of the Trustee, the Paying Agent, the Registrar and the custodian or trustee of any other fund created or to be created hereunder, the costs of audits required hereunder, and the premiums for all insurance policies and any fidelity bonds required by this Bond Resolution.

(C) Withdrawals from the Operation and Maintenance Fund shall be made by the University in accordance, as nearly as practicable, with the Annual Budget then in effect.

Section 7.03 Debt Service Funds.

(A) There shall be established and maintained a Debt Service Fund for each Series of Bonds Outstanding. The Debt Service Funds are intended to provide for the payment of the principal of, premium, if any, and interest on the respective Series of Bonds as the same respectively fall due. Payments into such Funds shall be made in the manner prescribed by this Bond Resolution, including the applicable provisions of Article VIII hereof, and, except as herein provided, all money in the respective Debt Service Funds shall be used solely to pay the principal of, premium, if any, and interest on the Series of Bonds to which the same apply, and for no other purpose.

(B) The Debt Service Funds shall be kept in the complete custody and control of the Trustee and withdrawals from the Debt Service Funds shall be made only by the Trustee who shall transmit to the Paying Agent, for payment to each Bondholder, at such times as may be appropriate, the sums required to pay the principal of, premium, if any, and interest on the respective Series of Bonds.

(C) Money in the Debt Service Funds shall be invested and reinvested by the State Treasurer in Authorized Investments, maturing not later than the date on which such money is required to pay the interest and/or the principal and interest next maturing. All earnings from the investments within a Debt Service Fund shall be added to and become a part of that Debt Service Fund, but shall be credited against payments that would otherwise be made to that Debt Service Fund pursuant to the provisions of Section 8.05 hereof.

(D) There may be established in any of the Debt Service Funds from time to time a capitalized interest account to provide for the payment of interest on the Bonds of the applicable Series. Any such account shall be created by the Series Resolution relating to the issuance of the Bonds of such Series. Any earnings from the investment of moneys in a capitalized interest account not required to pay interest on the Bonds of the applicable Series during the period for which interest on the Bonds of such Series is capitalized shall be deposited in the construction fund created by the Series Resolution relating to such Series of Bonds or, if such construction fund has been terminated or no such fund was created, such earnings shall be retained in the applicable Debt Service Fund.

Section 7.04 Debt Service Reserve Funds.

(A) A Series Resolution may provide for the establishment of a Debt Service Reserve Fund for any Series of Bonds Outstanding. Each such Debt Service Reserve Fund shall bear a number Series designation as may be necessary to distinguish such Debt Service Reserve Fund and shall, subject to the other provisions of this Bond Resolution, be maintained in an amount equal to the applicable Reserve Requirement, as determined pursuant to the Series Resolution so long as the applicable Series of Bonds shall be Outstanding. Each such fund is intended to insure the timely payment of the principal of and interest on the applicable Series of Bonds only, and to provide for the redemption of such Series of Bonds prior to their stated maturities. Notwithstanding anything in this Bond Resolution to the contrary, upon any shortfall of moneys in the applicable Debt Service Fund to pay principal of and interest on one or more Series of Bonds, the Trustee may in its discretion draw the applicable Debt Service Reserve Fund, if any, to cover such shortfall. Money in each Debt Service Reserve Fund shall be used for the following purposes, and for no other, viz.:

(1) to prevent a default in the payment of the principal of or interest on the applicable Series of Bonds, by reason of the fact that moneys in the applicable Debt Service Fund are insufficient for such purposes;

(2) to pay the principal of, interest on, and premium, if any, of the applicable Series of Bonds in the event that all Outstanding Bonds of such Series be redeemed as a whole; or

(3) to effect partial redemption of the applicable Series of Bonds; provided that subsequent to said partial redemption, the market value of the cash and securities in such Debt Service Reserve Fund, together with the value of any surety bond, insurance policy, line of credit, or letter of credit used pursuant to Section 7.04(D) hereof in lieu of a deposit of money, shall be not less than its Reserve Requirement.

(B) Each Debt Service Reserve Fund shall be kept in the complete custody and control of the Trustee and withdrawals therefrom shall be made only by the Trustee who shall transmit to the Paying Agent, for payment to each Bondholder of the applicable Series, at such times as may be appropriate, the sums required to pay the principal of, premium, if any, and interest on such Series of Bonds.

(C) Moneys in each Debt Service Reserve Fund shall be invested and reinvested by the State Treasurer in Authorized Investments. Subject to the remaining provisions of this paragraph (C), the earnings from investments in a particular Debt Service Reserve Fund shall be added to and become a part of

that Fund. Whenever, and as of any date of calculation, the value of the securities and money in a Debt Service Reserve Fund shall exceed the applicable Reserve Requirement, such excess shall either be used to effect partial redemption of the applicable Series of Bonds, or shall be removed from such Debt Service Reserve Fund and transferred into the Operation and Maintenance Fund or the Improvement Fund, as directed by the Chief Financial Officer or his designee.

(D) Notwithstanding anything in this Bond Resolution to the contrary, the University, in lieu of the deposit of moneys into a Debt Service Reserve Fund, may satisfy all or a portion of the applicable Reserve Requirement by causing to be so credited a surety bond, line of credit, letter of credit, insurance policy or similar instrument payable to the Trustee or the Paying Agent for the benefit of the Holders of the Bonds of a Series in an amount which together with other moneys on deposit in such Debt Service Reserve Fund is equal to such Reserve Requirement.

(E) In the event a Debt Service Reserve Fund has been funded with a surety bond, insurance policy, line of credit, letter of credit or similar instrument and either such instrument has been drawn upon, moneys available to repay such surety bond, insurance policy, line of credit, letter of credit or similar instrument provider shall first be used to reinstate the surety bond, insurance policy, line of credit, letter of credit or similar instrument to its original amount. Any interest or fees due to the surety bond, insurance policy, line of credit, letter of credit or similar instrument provider, other than reinstatement, shall be subordinate to any amounts payable upon the Bonds.

(F) In the event a Debt Service Reserve Fund is funded with a surety bond, insurance policy, line of credit, letter of credit or similar instrument, any revenues available for debt service on the Bonds shall be distributed on a pro rata basis among the Outstanding Bonds of each Series without regard to the method or level of funding of the respective Debt Service Reserve Funds, if any, for each Series.

(G) Any cash or investments on deposit in or credited to a Debt Service Reserve Fund shall be withdrawn prior to any draw on the surety bond, insurance policy, line of credit, letter of credit or similar instrument with respect thereto. In the event the amount on deposit in, or credited to, a Debt Service Reserve Fund, in addition to the amount available under the surety bond, insurance policy, line of credit, letter of credit or similar instrument in question (the "Original Funding Instrument") includes amounts available under another surety bond, insurance policy, line of credit, letter of credit or similar instrument (the "Additional Funding Instrument"), draws on the Original Funding Instrument and the Additional Funding Instrument shall be made on a pro rata basis to fund any insufficiency in the applicable Debt Service Fund.

Section 7.05 Improvement Fund.

(A) There shall be established and maintained by the Trustee with respect to the Athletic Department an Improvement Fund. The Improvement Fund is established hereunder in order to provide a reasonable reserve for contingencies and for improvements, expansions and renovations of the Athletic Facilities.

(B) Money in the Improvement Fund shall be withdrawn by the University from time to time, upon direction to the Trustee, and used solely:

- (1) For the purpose of restoring depreciated or obsolete items of the Athletic Facilities;
- (2) For improvements, expansions and renovations to the Athletic Facilities, other than for those things which are reasonably necessary to maintain such facilities in good repair and condition;

- (3) To defray the cost of unforeseen contingencies;
- (4) To prevent defaults of Senior Lien Bonds, Bonds (should any Debt Service Fund or Debt Service Reserve Fund prove to be insufficient for such purposes) and Junior Lien Bonds; and
- (5) For optional redemption of Bonds;

provided, however, that prior to any withdrawals from the Improvement Fund, the Trustee shall determine that no deficiency exists at such time in any Debt Service Fund or Debt Service Reserve Fund.

Section 7.06 Investment of Moneys in the Operation and Maintenance Fund and the Improvement Fund.

Moneys in the Operation and Maintenance Fund and the Improvement Fund shall be invested and reinvested by the State Treasurer in Authorized Investments. Any earnings on investments referred to in this Section will accrue to the benefit of the Fund in which such investments are contained.

Section 7.07 Construction Funds.

(A) Whenever the University shall issue Bonds, the proceeds of which are to be used for construction, improvement, expansion, renovation or repair of the Athletic Facilities, there shall be established under the applicable Series Resolution and maintained by the Trustee a construction fund into which proceeds from the sale of the Bonds of such Series, and earnings from investment thereof, shall be deposited. Each such construction fund shall bear a number Series designation as may be necessary to distinguish such construction fund and shall, subject to the other provisions of this Bond Resolution, be maintained until all funds are expended therefrom whether for the project for which the Bonds were issued or pursuant to Section 7.07(C) hereof. At the direction of the University, any construction fund may be divided into separate subaccounts for purposes of tracking costs of issuance, capitalized interest and the like.

(B) Money in any construction fund shall be invested and reinvested by the State Treasurer in Authorized Investments. Any earnings on investment of money in any construction fund shall accrue to the benefit of such construction fund.

(C) Upon completion of construction, renovation or repair of any project and the expenditure of all sums necessary therefor, any moneys remaining in any construction fund at such time shall, at the discretion of the Chief Financial Officer, be used to construct, renovate, repair or improve additional Athletic Facilities as may be approved by the Board of Trustees, or may be used to fund any amounts required to be paid to the United States Government pursuant to Section 148(f) of the Code as rebate of arbitrage earnings or be used to pay interest or principal on the particular Series of Bonds.

[End of Article VII]

ARTICLE VIII

DISPOSITION OF REVENUES

Section 8.01 Deposits to the Operation and Maintenance Fund; Dispositions Therefrom.

The Revenues as received shall be promptly deposited in the Operation and Maintenance Fund. Withdrawals from the Operation and Maintenance Fund for administration of the Athletic Department and the operation and maintenance of the Athletic Facilities may be made periodically as required to fund the same as set forth in the Annual Budget. The dispositions from the Operation and Maintenance Fund required by Section 8.03 and Sections 8.05 through 8.09 hereof shall be made at the times provided in this Article following the delivery of the first Series of Bonds issued pursuant to this Bond Resolution and in the order of priority established by the sequence of the remaining Sections of this Article.

Section 8.02 Requirement of Annual Budget.

For each Fiscal Year, the Board of Trustees will cause to be prepared the Annual Budget with respect to the Athletic Department for the next ensuing Fiscal Year (which may be a part of the general budget of the University), which shall reflect the rates and charges for attendance at events held at any Athletic Facilities for the ensuing Fiscal Year, an estimate of the Revenues and of receipts from the imposition of any Admissions Fee and any Special Student Fee, and all sums which the Board of Trustees intend to spend for the Athletic Facilities during such Fiscal Year. Such amounts shall be detailed in accordance with generally accepted accounting principles, and shall set forth:

- (A) all sums intended to be expended for operation and maintenance for such Fiscal Year; and
- (B) all sums intended for the Improvement Fund for such Fiscal Year.

Copies of such Annual Budget shall be made available to the Trustee and to any Bondholder requesting the same. The provisions of this Section shall not preclude, however, any revisions of the Annual Budget.

Section 8.03 Payment of Senior Lien Bonds.

Provision shall be made for the payment of the Senior Lien Bonds in the manner required under Article VI of the Senior Lien Bond Resolution.

Section 8.04 Deposits of Admissions Fee and Special Student Fee Receipts.

As receipts from the imposition of any Admissions Fee and any Special Student Fee are collected by the University, the same shall be promptly remitted to the Trustee, who shall deposit the same as received, pro-rata as to all Outstanding Bonds, in the respective Debt Service Funds.

Section 8.05 Payments for Bonds.

Provision shall be made for the payment of the principal of and interest on all Bonds then Outstanding, all without priority of any Bonds over others. To that end:

- (A) On or before the fifteenth day of the month immediately preceding each Bond Payment Date, there shall be paid from the Operation and Maintenance Fund, for deposit in the respective Debt Service Funds, an amount sufficient to discharge all interest to become due on the respective Series of Bonds on the next ensuing interest payment date; provided, however, that if provision has been made for the

payment of all or part of the next installment of interest to become due on any Series of Bonds, pursuant to any other provision of this Bond Resolution (including without limitation from deposits of fee receipts pursuant to Section 8.04 hereof), or any Series Resolution, or by reason of investment earnings, then, in such event, the deposits required by this paragraph (A) may be omitted, or reduced accordingly. If, as a result of the provision in a Series Resolution that any Series of Bonds shall bear interest payable for a period less than semi-annually, and any Holder of such Bonds shall receive payments of interest for any period for which payments were not made to holders of Bonds bearing interest payable semi-annually, then there shall be set aside in the applicable Debt Service Fund in trust for the benefit of the Holders of Bonds bearing interest payable semi-annually an amount of money equal to the interest accrued on the Bonds bearing interest payable semi-annually for such period.

(B) On or before the fifteenth day of the month immediately preceding each Bond Payment Date on which no payment of principal is due to be made, there shall be paid from the Operation and Maintenance Fund, for deposit in the respective Debt Service Funds, a sum equal to one-half of the aggregate amount of principal of all Bonds becoming due and payable on the next ensuing Bond Payment Date on which a payment of principal is due to be made. On or before the fifteenth day of the month immediately preceding each Bond Payment Date on which a payment of principal is due to be made, there shall be deposited in the respective Debt Service Funds a sum equal to the amount necessary, when added to the payment made pursuant to the preceding sentence, to discharge the aggregate amount of principal of all Bonds becoming due and payable on such ensuing Bond Payment Date (whether at stated maturity or by sinking fund installment); provided, however, that if provision has been made for the payment of all or part of either of the above-referenced installments of principal to become due on the Bonds, pursuant to any other provision of this Bond Resolution (including without limitation from deposits of fee receipts pursuant to Section 8.04 hereof), or any Series Resolution, or by reason of investment earnings, then, in such event, the deposits required by the preceding sentence of this paragraph may be omitted, or reduced accordingly.

Section 8.06 Depositions for the Debt Service Reserve Funds: Valuation.

(A) (1) The market value of the cash and securities in each Debt Service Reserve Fund, if any, shall be calculated as of each Bond Payment Date (such calculation to be made within forty-five (45) days after such Bond Payment Date), in order to determine if such Debt Service Reserve Fund contains the amount required by the applicable Series Resolution and the extent to which payments therefor or withdrawals therefrom must be made. In the event the aggregate market value of such cash and securities, together with any surety bond, insurance policy, line of credit or letter of credit as described in Section 7.04(D) hereof, in a Debt Service Reserve Fund is determined not to equal the applicable Reserve Requirement, there shall be paid from the Operation and Maintenance Fund, for deposit into such Debt Service Reserve Fund, on the last Business Day of each of the twelve (12) months following a determination of a deficiency in such Debt Service Reserve Fund one-twelfth (1/12) of the amount necessary to re-establish in such Debt Service Reserve Fund its Reserve Requirement; provided, however, nothing herein shall preclude the University from fully re-establishing such Reserve Requirement in a more timely fashion than as so prescribed.

(2) In the event the aggregate market value of cash and securities, together with any surety bond, insurance policy, line of credit or letter of credit as described in Section 4.04(D) hereof, in a Debt Service Reserve Fund is determined to be in excess of the applicable Reserve Requirement, such excess of cash and securities may, at the direction of the University be (a) deposited in the Operation and Maintenance Fund or (b) used to purchase and retire Bonds of the applicable Series at prices not exceeding the call price first to become available or then prevailing.

(3) Any surety bond, line of credit, insurance policy or letter of credit being used to meet the Reserve Requirement of a Debt Service Reserve Fund shall be valued at the amount still remaining to be drawn thereon; and in the event that any such surety bond, line of credit, insurance policy or letter of credit

has been drawn upon, the amount necessary to restore the principal balance thereof shall be paid by the University in the same manner and on a parity with the payments described in this Section.

(B) In the event a Debt Service Reserve Fund is funded with both moneys and a surety bond, insurance policy, line of credit or letter of credit as the latter are contemplated by Section 7.04(D) hereof, any available revenues to replenish such Debt Service Reserve Fund shall be used, first, to reimburse the provider of such surety bond, insurance policy or letter of credit and thereby reinstate such surety bond, insurance policy, line of credit or letter of credit, and, second, to replenish said moneys.

Section 8.07 Reimbursement of Interest on Amounts Advanced for Debt Service Reserve Funds.

Provision shall then be made from the Operation and Maintenance Fund for payment of interest on amounts advanced by the provider of any surety bond, insurance policy, line of credit or letter of credit as contemplated in Section 7.04(D) hereof.

Section 8.08 Payments for Junior Lien Bonds.

Provision shall then be made from the Operation and Maintenance Fund for the payment of any other indebtedness which is junior and subordinate to the Bonds in the order of priority contemplated by the proceedings authorizing their issuance.

Section 8.09 Deposits for the Improvement Fund.

To the extent funds are available, there shall be paid from time to time from the Operation and Maintenance Fund, for deposit into the Improvement Fund amounts such that the entire amount deposited during a Fiscal Year equals that sum which has been budgeted for the Improvement Fund for that Fiscal Year as provided in Section 8.02(B) hereof; provided, however, that if provision has been made for the payment of all or part of that Fiscal Year's deposit to the Improvement Fund, due to accumulations of moneys therein or by reason of investment earnings, then, in such event, the deposits required by this Section may be omitted, or reduced accordingly.

Section 8.10 Use of Surplus Amounts.

At any time that there is in the Operation and Maintenance Fund an amount sufficient to make all payments permitted or required by Section 8.03 and Sections 8.05 through 8.09 hereof through the next ensuing Bond Payment Date, the University may withdraw any moneys in excess of such amount and use them (a) to make additional deposits to the Improvement Fund (whether or not in excess of the amounts budgeted therefrom) or (b) in the discretion of the Board of Trustees, for any other lawful purpose of the University.

[End of Article VIII]

ARTICLE IX

AGREEMENT TO FURNISH INFORMATION WITH RESPECT TO THE FACILITIES

Section 9.01 Keeping Records.

The University recognizes that those who may from time to time hereafter be Bondholders will, throughout the life of the Bonds, require full information with respect to the Athletic Department, the fiscal affairs of the Athletic Department, and all matters incident to each. To that end the University covenants and agrees that it will install and thereafter at all times maintain proper books of records and accounts, separate and distinct from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Athletic Department, and all revenues and receipts derived therefrom, directly or indirectly. Such books and records shall be kept in such fashion as to reveal in detail:

- (1) All transactions incurred by the University with respect to the Athletic Facilities and the Athletic Department;
- (2) Revenues and the source from whence derived;
- (3) All expenses incurred in the operation and maintenance of the Athletic Facilities suitably identified as to purpose;
- (4) Net Revenues;
- (5) All expenditures made from the several funds established by this Bond Resolution, and the Series Resolutions authorizing the issuance of the Bonds;
- (6) The rate schedules that may from time to time be in effect as to attendance of events at any of the Athletic Facilities; and
- (7) Receipts from the imposition of any Admissions Fee and any Special Student Fee.

Section 9.02 Audit Required.

The University further covenants and agrees that so long as any Bonds are Outstanding, it will, as soon after the close of each Fiscal Year as possible, cause to be made and completed by the Accountants, an audit of the records, books and accounts pertaining to the Athletic Department, which may be included as separate schedules in the general audit of the University, made in accordance with generally accepted accounting practices, showing, among other things, Net Revenues and gross receipts from the imposition of any Admissions Fee and any Special Student Fee, and to furnish a copy of such audit to the Trustee. Such audit shall comment upon any violation of any provision of any resolution authorizing the issuance of any Senior Lien Bonds, Bonds or Junior Lien Bonds and any violation of any provision of this Bond Resolution or any Series Resolution noted by the Accountants, and such other matters as to them seem pertinent. The cost of such audit shall be treated as a part of the cost of operating and maintaining the Athletic Department. Copies of such audit shall also be made available to any Bondholder who shall have requested the same in writing to the Trustee.

[End of Article IX]

ARTICLE X
INSURANCE

Section 10.01 Insurance.

The University covenants and agrees that so long as any Bonds are Outstanding:

(A) It will keep all structures comprising the Athletic Facilities continuously insured under fire and extended coverage policies, in an amount at least equal to the face amounts of all Bonds Outstanding; provided, however, that in case the principal amount of such Outstanding Bonds shall be greater than the insurable value of the Athletic Facilities, then the University shall insure such facilities to the extent of their insurable value.

(B) In case of loss, the proceeds of the casualty insurance referred to in paragraph (A) above shall be applied to repair or to restore such facilities, or the contents thereof, to their former condition, or in such manner as will make such facilities usable, for the acquisition of additional Athletic Facilities, or for the redemption of Bonds at the earliest practicable date.

(C) It will secure adequate fidelity bonds (blanket or individual) of a surety company doing business in the State, indemnifying the University against defalcation of all University or State employees handling money derived from the Athletic Facilities or signing checks on any bank accounts relating to the Athletic Facilities, other than the Trustee, each Registrar or each Paying Agent.

(D) All premiums on all bonds or insurance policies shall be deemed a part of the cost of operating and maintaining the Athletic Facilities.

(E) All insurance policies shall be open to the inspection of any Bondholder at any reasonable time.

(F) All money received by the University as a consequence of any defalcation, covered by any fidelity bond, shall be used to restore the fund or account depleted by the defalcation.

(G) It will comply with the requirements of any State law regarding the mandatory purchase of liability insurance.

Notwithstanding anything herein to the contrary, the Trustee shall have no duty hereunder to hold the insurance policies or certificates or surety bonds referred to in this Article.

[End of Article X]

ARTICLE XI

ADDITIONAL COVENANTS; DISPOSITION OF FACILITIES

Section 11.01 Additional Covenants to Secure Bonds.

(A) The University further covenants and agrees that:

(1) Neither the Athletic Facilities, nor any part thereof, nor any of the income or revenues derived from the Athletic Facilities, have been or will be hypothecated, mortgaged, otherwise pledged or encumbered, save and except as herein disclosed and provided for; and provided that nothing in this Section shall prevent the University from financing the acquisition of any item or items of equipment for or related to the Athletic Facilities, which financing is secured by a purchase money security interest or the equivalent thereof.

(2) So long as there are any Bonds outstanding and unpaid, it will perform all duties with reference to the Athletic Facilities required by the Constitution and statutes of the State, including without limitation the Enabling Act, and the University hereby irrevocably covenants, binds and obligates itself not to pledge, mortgage or otherwise encumber the Athletic Facilities or any part thereof, or any revenues therefrom, except in the manner herein authorized, and it will not sell, lease or dispose of any portion of the Athletic Facilities, necessary or useful (as determined by the University) in the operation of such facilities, until all Bonds shall be paid in full, or unless and until provision shall have been made for the payment of all Bonds and the interest thereon in full, and the University further obligates itself and covenants and agrees with the Bondholders to operate and maintain in good condition the Athletic Facilities, and to collect and charge such rates for the services provided by or the use of the Athletic Facilities so that the Net Revenues, along with the receipts from imposition of any Admissions Fee and any Special Student Fee, will be sufficient at all times to meet the requirements of this Bond Resolution.

(3) It will not discriminate, nor permit discrimination, by its employees, agents, lessees, or others operating the Athletic Facilities in the use thereof because of race, religion, creed or national origin.

(4) It will permit, so long as there are any Bonds Outstanding, any Bondholder to inspect the Athletic Facilities and all records and accounts thereof, as well as records and accounts pertaining to the imposition of any Admissions Fee and any Special Student Fee, under reasonable terms and conditions and after reasonable notice has been given.

(5) It will not make any use, and it shall not direct the Trustee and each fiduciary to make any use of the proceeds of any Series Bonds which Bonds were intended upon the issuance thereof to be exempt from federal income taxation, which, if such use had been reasonably expected on the date of the issuance of the Bonds of such Series would have caused such Bonds or any other Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and will observe and not violate the requirements of Section 148 of the Code.

(6) As to any Series of Bonds which were intended at the time of their issuance to be exempt from federal income taxation, it will take all actions required of it under the Code that are necessary to preserve the tax-exempt status of such Bonds, including without limitation, actions necessary to comply with all information reporting requirements and any obligation to rebate arbitrage earnings on the proceeds of such Bonds to the United States Government.

(7) It will make all payments or deposits required under Articles VII and VIII of this Bond Resolution in a timely manner.

(8) It will, from time to time, forward to the Trustee, in writing, the name of the Chief Financial Officer and any designee of such Chief Financial Officer, together with a specimen signature of such individual.

(B) Notwithstanding any provision in this Bond Resolution to the contrary:

(1) The University shall not be obligated to impose any Admissions Fee or Special Student Fee, except as may be required pursuant to Section 5.01(D) hereof.

(2) The University shall not be obligated to charge any fee for attendance at any intercollegiate athletic event held at any of the Athletic Facilities.

(3) The University may permit events to be held at any of the Athletic Facilities which are not related to activities of the Athletic Department and in any such cases, any fees or concessions recovered by the University in connection with attendance at such events shall not be deemed to be Revenues unless the University so elects.

Section 11.02 Sale and Disposition of Facilities.

(A) The University shall have the right to dispose of any obsolete or worn out equipment, furniture and furnishings which may be at any time a part of the Athletic Facilities, but all moneys realized therefrom shall be treated as a part of the Revenues.

(B) Pursuant to resolution of the Board of Trustees, the University, upon the written recommendation of the Chief Financial Officer that such action will not adversely affect the ability of the University to discharge its obligations under this Bond Resolution, may abandon any portion of the Athletic Facilities which it finds to be no longer serviceable or may discontinue providing any service now or hereafter provided by the University, whether directly or indirectly, in or by any of such facilities.

(C) The University may sell or otherwise dispose of (other than as provided in paragraphs (A) and (B) of this Section) any portion of the Athletic Facilities, provided that:

(1) The Trustee shall be provided with an appraisal from an independent certified appraiser stating that in its opinion the purchase price or other consideration to be received represents the full market value of the portion of the facilities sought to be sold or otherwise disposed of;

(2) A resolution of the Board of Trustees shall have been adopted, to which shall have been appended a recommendation of the Chief Financial Officer as to the same and a copy of the appraisal referred to above, approving the sale or other disposition and prescribing that the proceeds of the sale or other disposition shall be deposited in a separate fund with the Trustee and applied either (a) to the Improvement Fund, or (b) applied to the partial payment and redemption of the Bonds in the manner provided for redemptions in this Bond Resolution; and

(3) The University shall have obtained any approvals required under the laws of the State.

(D) Pursuant to resolution of the Board of Trustees, the University, upon the written recommendation of the Chief Financial Officer that such action will not adversely affect the ability of the University to discharge its obligations under this Bond Resolution and upon receipt of a written opinion of Bond Counsel that such action will not adversely affect the tax-exempt status of any of the Bonds, may change from a provision of services directly by the University in or by any of the Athletic Facilities to provision of such services by an independent contractor, and vice versa.

[End of Article XI]

ARTICLE XII

MODIFICATION OF RESOLUTION

Section 12.01 Modification Without Bondholder Approval.

(A) Provided always that the security of the Bonds shall not be lessened, or in any manner impaired, the Board of Trustees, with the consent of any Bond Insurer, may for any one or more of the following purposes at any time, or from time to time, adopt a resolution amending or supplementing this Bond Resolution, which resolution shall be fully effective in accordance with its terms:

(1) To provide for the issuance of a Series of Bonds in accordance with Article IV of this Bond Resolution;

(2) To add to the covenants and agreements of the University in this Bond Resolution, and to provide for other covenants and agreements thereafter to be observed relative to the operation, maintenance, construction or administration of any part of the Athletic Facilities; it being further specifically provided that the Chief Financial Officer is hereby authorized prior to the sale of any Series of Bonds to increase the required ratios involving Net Revenues herein or to increase the credit rating requirements for the providers of Debt Service Reserve Fund substitutes;

(3) To surrender any right, power or privilege reserved to or conferred upon the University by this Bond Resolution; or

(4) To cure, correct and remove any ambiguity or inconsistent provisions contained in this Bond Resolution.

(B) It is further provided that, except for a Series Resolution as permitted by paragraph (A) above and Article IV hereof, such supplemental resolution shall not become effective until a copy thereof, duly certified, shall have been filed with the Trustee and each Paying Agent.

Section 12.02 Modification With Bondholder Approval.

The rights and duties of the University and the Bondholders and the terms and provisions of this Bond Resolution may be modified or altered in any respect by an amendatory or supplementary resolution adopted by the Board of Trustees with the consent of the Holders of sixty-six and two-thirds percent (66 2/3%) in principal amount of all Bonds of each Series which would be affected by such modification or alteration then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Holders and duly acknowledged or proven in the manner satisfactory to the Trustee, and with the consent of any Bond Insurer, but no such modification or alteration shall:

(A) Extend the maturity of any payment of principal or interest due upon any Bond;

(B) Effect a reduction in the amount which the University is required to pay by way of principal of, interest or redemption premium on any Bonds;

(C) Effect a change as to the type of currency in which the University is obligated to effect payment of the principal of, interest and redemption premiums of any Bond;

(D) Permit the creation of a pledge of or lien upon the Revenues or upon the receipts of the imposition of any Admissions Fee and any Special Student Fee prior or equal to that provided herein with respect to the Bonds, except as authorized in this Bond Resolution;

(E) Permit preference or priority of any Bonds to others;

(F) Alter or modify the provisions of Section 4.02 or of Articles V, VII, and VIII hereof (except in the manner as may be referred to in Section 12.01 hereof); or

(G) Reduce the percentage required for the written consent to the modification or alteration of the provisions of this Bond Resolution;

without the consent of the Holders of all Bonds affected by such change or modification.

Section 12.03 Procedure for Procuring Bondholder Approval.

The University and the Trustee may rely upon the registration books maintained by the Registrar to determine who are the Holders of the Bonds. Any and all modifications made in the manner hereinabove provided for shall not become effective until there has been filed with the Trustee and each Paying Agent a copy of such amendatory or supplementary resolution hereinabove provided for, duly certified, as well as proof of consent to such modification by the Holders of sixty-six and two-thirds percent (66 2/3%) in principal amount of the Bonds of each Series then Outstanding.

[End of Article XII]

ARTICLE XIII

EVENTS OF DEFAULT

Section 13.01 Events of Default.

The occurrence and continuation of any of the following events is hereby declared an "Event of Default" hereunder:

(A) Payment of the principal of any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption;

(B) Payment of any installment of interest on any Bonds shall not be made when the same becomes due and payable;

(C) Payment of any installment of either interest or principal of any Senior Lien Bonds or Junior Lien Bonds shall not be made when the same becomes due and payable or any other event of default shall exist with respect to any Senior Lien Bonds or Junior Lien Bonds;

(D) The University shall for any reason be rendered incapable of fulfilling its obligations hereunder;

(E) An order or decree shall be entered with the consent or acquiescence of the University appointing a receiver, or receivers, of the Athletic Facilities, the Athletic Department or of the Revenues, or any proceedings shall be instituted with the consent or acquiescence of the University for the purpose of effecting a composition between the University and its creditors whose claims relate to the Athletic Facilities or the Athletic Department, or for the purpose of adjusting claims of such creditors, pursuant to any Federal or State statute now or hereafter enacted, or if such order or decree, having been entered without the consent or acquiescence of the University, shall not be vacated or discharged or stayed on appeal within sixty (60) days after entry thereof, or if such proceeding having been instituted without the consent or acquiescence of the University, shall not be withdrawn or any orders entered shall not be vacated, discharged, or stayed on appeal within sixty (60) days after the institution of such proceedings, or the entry of such orders;

(F) The University shall fail to operate the Athletic Facilities or the Athletic Department in an efficient and business-like fashion or shall default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the Bonds or in this Bond Resolution, and such default shall continue for thirty (30) days after written notice, specifying such default and requiring the same to be remedied, shall have been given to the University by any Bondholder, provided that in the case of default specified in this paragraph (F), if the default be such that it cannot be corrected within the said thirty (30) day period, it shall not constitute an event of default if corrective action is instituted by the University within said thirty (30) day period and diligently pursued until the default is corrected; or

(G) The occurrence of an event of default on the part of the University under any reimbursement agreement between the University and a provider of a surety bond, insurance policy, line of credit or letter of credit as contemplated under Section 7.04(D) hereof.

The provisions of the preceding paragraph (F) are subject to the following limitations: If by reason of force majeure the University is unable in whole or in part to carry out its agreements herein contained (other than the obligations on the part of the University contained in any of Section 4.02 or Articles V, VII and VIII hereof as to which this paragraph shall have no application), the University shall not be deemed in

default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes; lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, tunnels or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the University, it being agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the University, and the University shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the University unfavorable to the University.

[End of Article XIII]

ARTICLE XIV

REMEDIES

Section 14.01 Acceleration; Annulment of Acceleration.

(A) Except as specifically provided herein, upon the happening of an Event of Default, subject to the provisions of Section 17.01 hereof, the Trustee may, and upon the written request of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding shall, by notice in writing to the University, declare all Bonds Outstanding immediately due and payable. Such Bonds shall become and be immediately due and payable, anything in the Bonds or in this Bond Resolution to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon and which will accrue thereon to the date of payment.

(B) At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Bond Resolution, the Trustee may annul such declaration and its consequences with respect to any Bonds not then due by their terms if:

(1) Moneys shall have been deposited in the respective Debt Service Funds sufficient to pay all matured installments of interest and principal (other than principal then due only because of such declaration) of all Outstanding Bonds;

(2) Moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee;

(3) All other amounts then payable by the University hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and

(4) Every Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 14.02 Additional Remedies and Enforcement of Remedies.

(A) Upon the happening of any Event of Default, subject to the provisions of Section 17.01 hereof, the Trustee may, and upon the written request of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall proceed forthwith to protect and enforce its rights and the rights of the Bondholders under this Bond Resolution by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(1) Requiring the University to carry out its duties and obligations under the terms of this Bond Resolution and under the Enabling Act;

(2) Suit upon all or any part of the Bonds;

(3) Civil action to require the University to account as if it were the trustee of an express trust for the Holders of Bonds;

(4) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds; or

(5) Enforcement of any other right of the Bondholders conferred by law or by this Bond Resolution including the right to make proper application to a court of competent jurisdiction for the appointment of a receiver to administer and operate the Athletic Facilities and the Athletic Department. Such receiver shall be given full power to fix rentals and charges for the Athletic Facilities, sufficient to provide for the payment of principal of Bonds and the interest thereon, and for the payment of the expenses of operating and maintaining the Athletic Facilities, and to apply the income and revenues of the Athletic Facilities and the Athletic Department to the payment of principal of such Bonds and the interest thereon.

(B) Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised by Counsel shall be necessary or expedient:

(1) To prevent any impairment of the security under this Bond Resolution by any acts which may be unlawful or in violation of this Bond Resolution; or

(2) To preserve or protect the interests of the Bondholders, provided that such request is in accordance with law and the provisions of this Bond Resolution and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Holders of Bonds not making such request.

Section 14.03 Application of Revenues and Other Moneys After Default.

(A) The University covenants that if an Event of Default shall happen and shall not have been remedied, the University, upon demand of the Trustee, shall pay or cause to be paid over to the Trustee:

(1) Forthwith, all moneys and securities then held by the University which is credited to any fund under this Bond Resolution; and

(2) As promptly as practicable after receipt thereof, all Revenues and receipts from the imposition of any Admissions Fee and any Special Student Fee.

(B) During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, Revenues, receipts from the imposition of any Admissions Fee and any Special Student Fee, payments and receipts in its possession and the income therefrom as follows and in the following order:

(1) To the payment of the reasonable and proper charges of the Trustee;

(2) To the payment of the necessary costs of operating and maintaining the Athletic Facilities; and

(3) To the payment of the interest and principal (and premium, if any) then due on the Bonds, as follows:

(a) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

(i) First: To the payment of the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference; and

(ii) Second: To the payment to the persons entitled thereto of the unpaid principal installments (and premiums, if any) of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal (plus redemption premium, if any) due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any differences as to the respective rates of interest specified in the Bonds.

(4) For the purposes and to the respective funds set forth in Article VIII hereof, in the order set forth therein.

Section 14.04 Remedies Not Exclusive.

No remedy by the terms of this Bond Resolution conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Bond Resolution or existing at law or in equity or by statute (including the Enabling Act) on or after the date hereof.

Section 14.05 Remedies Vested in Trustee.

All rights of action (including the right to file proof of claims) under this Bond Resolution or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds. Subject to the provisions of Section 14.03 hereof, any recovery of judgment shall be for the equal benefit of the Holders of the Outstanding Bonds.

Section 14.06 Majority of Bondholders Control Proceedings.

If an Event of Default shall have occurred and be continuing, notwithstanding anything in this Bond Resolution to the contrary, the Holders of at least a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the

enforcement of the terms and conditions of this Bond Resolution or for the appointment of a receiver or any other proceedings hereunder, provided that such direction is in accordance with law and the provisions of this Bond Resolution (including indemnity to the Trustee) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Bondholders not joining in such direction and provided further that nothing in this Section shall impair the right of the Trustee in its discretion to take any other action under this Bond Resolution which it may deem proper and which is not inconsistent with such direction by Bondholders.

Section 14.07 Individual Bondholder Action Restricted.

(A) No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Bond Resolution or for the execution of any trust hereunder or for any remedy under this Bond Resolution unless:

(1) An Event of Default has occurred:

(a) under Paragraph (A) or (B) of Section 13.01 hereof;

(b) as to which the Trustee has actual notice; or

(c) as to which the Trustee has been notified in writing; and

(2) The Holders of at least twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in this Bond Resolution or to institute such action, suit or proceeding in its own name; and

(3) Such Bondholders shall have offered the Trustee reasonable indemnity; and

(4) The Trustee shall have failed or refused to exercise the powers herein granted or to institute such action, suit or proceedings in its own name for a period of sixty (60) days after receipt by it of such request and offer of indemnity.

(B) No one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of this Bond Resolution or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Holders of all Bonds Outstanding.

(C) Nothing contained in this Bond Resolution shall affect or impair, or be construed to affect or impair, the right of the Holder of any Bond

(1) to receive payment of the principal of or interest on such Bond on the due date thereof; or

(2) to institute suit for the enforcement of any such payment on or after such due date.

Section 14.08 Termination of Proceedings.

In case any proceeding taken by the Trustee or any Bondholder on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bondholders, the University, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee and the Bondholders shall continue as if no such proceeding had been taken.

Section 14.09 Waiver and Nonwaiver of Event of Default.

(A) No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article XIV to the Trustee and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(B) The Trustee may waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Bond Resolution, or before the completion of the enforcement of any other remedy under this Bond Resolution.

(C) Notwithstanding anything contained in this Bond Resolution to the contrary, but subject to the provisions of Section 17.01 hereof, the Trustee, upon the written request of the Holders of at least a majority of the aggregate principal amount of Bonds then Outstanding (including, if more than one Series of Bonds shall at the time be Outstanding, the Holders of a majority in principal amount of all Bonds then Outstanding of each such Series), shall waive any Event of Default hereunder and its consequences; provided, however, that except under the circumstances set forth in subsection (B) of Section 14.01 hereof or subsection (B) of this Section 14.09, a default in the payment of the principal of, premium, if any, or interest on, any Bond, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Holders of all the Bonds at the time Outstanding.

(D) In case of any waiver by the Trustee of an Event of Default hereunder, the University, the Trustee and the Bondholders shall be restored to their former positions and rights under this Bond Resolution, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section.

Section 14.10 Notice of Defaults.

(A) Within thirty (30) days after:

(1) the receipt of notice of an Event of Default as provided in Section 14.07(A) (1) hereof, or

(2) the happening of an Event of Default under Paragraph (A) or (B) of Section 13.01 hereof, as to which the Trustee shall be deemed to have notice,

the Trustee shall, unless such Event of Default shall have theretofore been cured, give written notice thereof by first class mail to each Holder of Bonds then Outstanding, provided that, except in the case of a default in the payment of principal (together with premium, if any) of or interest on any of the Bonds, the Trustee may withhold such notice if, in its sole judgment, it determines that the withholding of such notice is in the best interests of the Bondholders.

(B) The Trustee shall immediately notify the University of any Event of Default known to the Trustee.

[End of Article XIV]

ARTICLE XV

TRUSTEE AND ITS FUNCTIONS; OTHER FIDUCIARIES

Section 15.01 Appointment and Vesting of Powers in Trustee; Limitation of Rights of Bondholders to Appointment Trustee.

The University hereby appoints the State Treasurer as the Trustee. The Trustee shall be and is hereby vested with all rights and powers necessary to enable it to discharge its duties hereunder but the right of the Bondholders to appoint a trustee hereunder is limited to the circumstances contemplated by Section 15.10 hereof.

Section 15.02 Functions of Trustee.

The Trustee shall have the following additional functions:

- (A) To act as custodian of the respective Debt Service Funds and Debt Service Reserve Funds;
and
- (B) To make reports to the University on a monthly or such other basis as may be requested by the University, but not less often than semi-annually:
- (1) Establishing balances on hand;
 - (2) Listing investments made for any fund handled by the Trustee;
 - (3) Establishing the sufficiency of each Debt Service Fund and Debt Service Reserve Fund.

Section 15.03 Duty of Trustee With Respect to Deficits in Debt Service Funds.

It shall be the further duty of the Trustee to give written notice to the University ten (10) days prior to each Bond Payment Date, if there is any deficiency in any of the Debt Service Funds which would result in a need for further moneys to meet the payment of interest and/or principal falling due on the next ensuing Bond Payment Date, and the extent, if any, to which resort must be had to a particular Debt Service Reserve Fund to meet such deficiency.

Section 15.04 Acceptance by Trustee Required.

Prior to the delivery of any Bonds, the Trustee appointed pursuant to Section 15.01 hereof shall signify its acceptance of the powers, duties and obligations conferred and imposed upon it by this Bond Resolution, by executing and delivering to the University a written acceptance thereof.

Section 15.05 Liability as to Recitals in Bond Resolution and Bonds.

The recitals of fact made in this Bond Resolution and in the Bonds shall be taken as statements of the University, and the Trustee shall not be deemed to have made any representation as to the correctness of the same, nor shall the Trustee be deemed to have made any representation whatsoever as to the validity or sufficiency of this Bond Resolution or of the Bonds issued hereunder except with respect to the authentication of any Bonds. Nor shall the Trustee be under responsibility or duty with respect to the issuance of said Bonds, or the application of the proceeds thereof, except to the extent provided for herein.

Nor shall the Trustee be liable in connection with the performance of its duties hereunder, except for its own negligence or default.

Section 15.06 Trustee May Rely on Notices, etc.

The Trustee shall at all times be protected in acting upon any notice, resolution, request, consent, order, certificate, statement, opinion, bond, or other paper or document believed to be genuine and to have been signed by the proper party or parties.

Section 15.07 Trustee Permitted to Resign.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving to the University and the Bondholders written notice of such resignation, specifying a date (not less than sixty (60) days after such notice) when such resignation shall take effect. Such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment and qualification of such successor.

Section 15.08 Removal of Trustee.

(A) The Trustee, if other than the State Treasurer, may be removed at any time by the Holders of not less than fifty percent (50%) of the principal amount of Bonds at such time Outstanding.

(B) The Trustee, if other than the State Treasurer, may likewise be removed at any time by the University with the consent and approval of the Holders of not less than fifty percent (50%) of the principal amount of the Bonds at such time Outstanding.

Section 15.09 Appointment of Successor Trustee Upon Resignation or Removal of Trustee.

(A) In case at any time the Trustee shall resign, or be removed or become incapable of acting, or be adjudged a bankrupt or insolvent, or a receiver of its property shall be appointed, or any public officer shall take charge or control of its property or affairs, a successor thereto shall be promptly appointed by a resolution of the Board of Trustees duly adopted. Such successor shall in all instances be a bank or trust company duly chartered pursuant to the laws of the United States of America or of a state thereof, shall have at the time of its appointment a combined capital stock surplus and undivided profits of not less than \$100,000,000 and shall be authorized by law to perform all duties imposed upon it by this Bond Resolution and the Series Resolutions.

(B) Immediately following such appointment the University shall give written notice of such appointment to the Bondholders and any Registrar other than the Trustee.

Section 15.10 When Bondholder May Seek Successor Trustee.

If, in a proper case, no appointment of a successor Trustee shall be promptly made pursuant to Section 15.09 hereof, any Bondholder may make application to any court of competent jurisdiction for the appointment of a successor and said court may thereupon, after such notice, if any, as such court may prescribe, appoint a successor.

Section 15.11 Acceptance by Successor Trustee.

Any successor Trustee appointed hereunder shall execute and deliver to its predecessor and to the University a written acceptance of 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 its predecessor hereunder with like effect as if originally named as such Trustee and its predecessor shall be obligated to pay over, transfer, assign and deliver all moneys, securities and other property held by it to its successor, and on the written request of the University, or the successor, shall execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may be reasonably required for the vesting and confirming in such successor all the right, title and interest of the predecessor in and to any property held by it.

Section 15.12 Effect of Trustee Merging With Another Bank.

If the Trustee is other than the State Treasurer, any bank into which the Trustee may be merged, or with which it may be consolidated, or any bank resulting from any merger or consolidation to which it shall be a party, or any bank to which the Trustee may sell or transfer all or substantially all of its business, shall become the successor without the execution or filing of any paper or the performance of any further act.

Section 15.13 Appointment of Registrar.

(A) The State Treasurer and the Chief Financial Officer shall from time to time appoint on behalf of the University a Registrar or Registrars as Registrar of the Bonds of one or more Series. The Registrar shall be required to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the University, the Trustee and the Paying Agent at all reasonable times. In addition, the Registrar shall have the duty of authenticating the Bonds of the Series as to which it serves as Registrar and such other duties as may be required of it under this Bond Resolution and the applicable Series Resolution.

(B) Any Registrar shall be the State Treasurer or a bank, national association or trust company duly organized under the laws of the United States of America or any state thereof, having at the time of appointment a combined capital stock, surplus and undivided profits of at least \$50,000,000 and authorized by law to perform all the duties imposed upon it by this Bond Resolution and the relevant Series Resolutions. The Registrar may at any time resign and be discharged of the duties and obligations created by this Bond Resolution by giving at least sixty (60) days' notice to the Trustee, the Paying Agent, and the University. The Registrar may be removed at any time, at the direction of the University, by an instrument filed with the Registrar, the Trustee and the Paying Agent.

(C) In the event of the resignation or removal of the Registrar, the Registrar shall deliver any Bonds held by it in such capacity to its successor or, if there be no successor, to the Trustee.

(D) In the event that the University shall fail to appoint a Registrar hereunder, or in the event that the Registrar shall resign or be removed, or be dissolved, or if the property or affairs of the Registrar shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the University shall not have appointed its successor as Registrar, the Trustee shall ipso facto be deemed to be the Registrar for all purposes of this Bond Resolution until the appointment by the University of the Registrar or successor Registrar, as the case may be.

Section 15.14 Appointment of Paying Agent.

(A) The State Treasurer and the Chief Financial Officer may from time to time appoint on behalf of the University a Paying Agent or Paying Agents as Paying Agent for the Bonds of one or more Series. The Paying Agent shall be required:

(1) to hold all sums held by it for the payment of the principal of, premium, if any, and interest on the Bonds in trust for the benefit of the Holders until such sums shall be paid to such Holders or otherwise disposed of as herein provided; and

(2) to keep such books and records as shall be consistent with prudent industry practice, to make such books and records available for inspection by the University and the Trustee at all reasonable times.

(B) Any Paying Agent shall be a bank, national association or trust company duly organized under the laws of the United States of America or any state thereof, having at the time of appointment a combined capital stock, surplus and undivided profits of at least \$50,000,000 and authorized by law to perform all the duties imposed upon it by this Bond Resolution and the relevant Series Resolutions. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Bond Resolution by giving at least sixty (60) days' notice to the University and the Trustee. The Paying Agent may be removed at any time at the direction of the University, by an instrument filed with the Paying Agent and the Trustee.

(C) In the event of the resignation or removal of any Paying Agent, said Paying Agent shall pay over, assign and deliver any moneys held by it in such capacity to its successor or, if there be no successor, to the Trustee.

[End of Article XV]

ARTICLE XVI

DEFEASANCE

Section 16.01 Defeasance Generally.

If all of the Bonds issued pursuant to this Bond Resolution, shall have been paid and discharged, then the obligations of the University under this Bond Resolution, the pledge of revenues made hereby, and all other rights granted hereby shall cease and determine. 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 Trustee, Paying Agent or other custodian authorized by the University shall hold, at the stated maturities of such Bonds, in trust and irrevocably appropriated thereto, sufficient money for the payment thereof;

(B) If default in the payment of the principal of such Bonds or the interest thereon shall have occurred on the stated maturities of such Bonds, and thereafter tender of such payment shall have been made, and the Trustee, Paying Agent or other custodian authorized by the University shall then hold in trust and irrevocably appropriated thereto, sufficient money for the payment thereof to the date of the tender of such payment; or

(C) If the University shall have deposited with the Trustee, Paying Agent or other custodian authorized by the University, in an irrevocable trust money or Government Obligations, the principal of and interest on which when due (without reinvestment thereof) will provide money which, together with the money, if any, deposited at the same time, shall be sufficient to pay, when due, the principal, interest and premium, if any, due and to become due on and prior to the maturity or, if the University has irrevocably elected to redeem Bonds, on and prior to the redemption date of such Bonds; and the University shall have provided to the Trustee from an independent firm of nationally recognized certified public accountants a report stating the opinion of such firm that the investments purchased for the irrevocable trust on the date of its establishment with amounts deposited therein on the date of its establishment will provide, from maturing principal of and interest earnings thereon and without reinvestment, sufficient amounts to pay as and when due the principal, interest, and premiums, if any, on the defeased Bonds.

Section 16.02 Money to be Held in Trust – When Returnable to University.

Any money which at any time shall be deposited with the Trustee, Paying Agent or other custodian authorized by the University, by or on behalf of the University, for the purpose of paying and discharging any Bonds or the interest thereon, shall be and is hereby assigned, transferred and set over to the Trustee, Paying Agent or other custodian appointed by the University in trust for the respective Holders of the Bonds, and such money shall be and is hereby irrevocably appropriated to the payment and discharge thereof. But if, through lapse of time or otherwise, the Holders of said Bonds shall no longer be entitled to enforce payment of their obligations, then, in such event, it shall be the duty of the Trustee, Paying Agent or other custodian appointed by the University to forthwith return said funds to the University.

Section 16.03 Deposits With Trustee Subject to Conditions of Article XVI Hereof.

The University covenants and agrees that any money which it shall deposit with the Trustee, Paying Agent or other custodian authorized by the University shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of this Article, and that whenever it shall have elected to redeem Bonds it will irrevocably bind and obligate itself to give notice of redemption thereof, and will further

authorize and empower the Trustee, Paying Agent or other custodian authorized by the University to cause the publication of such notice of redemption in its name and on its behalf.

[End of Article XVI]

ARTICLE XVII

MISCELLANEOUS

Section 17.01 Miscellaneous Insurer Rights.

(A) Notwithstanding any provision of this Bond Resolution to the contrary, (i) each Bond Insurer shall be deemed the exclusive Holder of all Bonds insured by that Bond Insurer, for the purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies which affect the Series of Bonds so insured by such Bond Insurer and (ii) upon the occurrence of an Event of Default and with respect to all remedies provided herein, (a) the direction to accelerate, or consent to an acceleration, by any Bond Insurer with respect to a Series of Bonds shall result in the acceleration of all Bonds of all Series and (b) any acceleration of Bonds may be annulled only with the consent of each Bond Insurer of a Series of Bonds; provided, however, that no such rights granted to a Bond Insurer shall be effective at any time that such Bond Insurer is in breach of its obligations under its Bond Insurance Policy or is subject to bankruptcy or receivership proceedings.

(B) Any provision of this Bond Resolution expressly recognizing or granting rights in or to Insurers may not be amended in any manner which affects the rights of such Bond Insurers hereunder without the prior written consent of each such Bond Insurer.

(C) To the extent that a Bond Insurer makes payment of the principal of or interest on any Bonds, it shall become the owner and Holder of such Bonds, appurtenant coupons or right to payment of such principal of or interest on such Bonds and shall be fully subrogated to all of the registered Holders' rights thereunder, including the registered Holders' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee shall note such Bond Insurer's rights as subrogee on the registration books of the University maintained by the Trustee or Registrar upon receipt of proof from the Bond Insurer as to payment of interest thereon to the registered Holders of the Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note the Bond Insurer's rights as subrogee on the registration books of the University maintained by the Trustee or Registrar upon surrender of the Bonds by the registered Holders thereof to the Bond Insurer or its agent.

(D) In the event that the principal of and/or interest on any Bonds shall be paid by the Bond Insurer pursuant to the terms of its Bond Insurance Policy, (i) such Bonds shall continue to be "Outstanding" under this Bond Resolution and (ii) the assignment and pledge of the Net Revenues and receipts from the imposition of any Admissions Fee and any Special Student Fee and all covenants, agreements and other obligations of the University to the registered Holders shall continue to exist, and the Bond Insurer shall be fully subrogated to all of the rights of such registered Holders in accordance with the terms and conditions of subparagraph (C) above and the Bond Insurer's Bond Insurance Policy.

(E) The terms and provisions of this Bond Resolution or of any applicable Series Resolution may not be terminated as long as there are any moneys owed to a Bond Insurer under such terms and provisions of this Bond Resolution or the applicable Series Resolution or any agreement between such Bond Insurer and the University.

Section 17.02 Purpose of Covenants in this Bond Resolution.

Every covenant, undertaking and agreement made on behalf of the University, as set forth in this Bond Resolution is made, undertaken and agreed to, for the proper securing of the payment of the principal of and interest on the Bonds. Each shall be deemed to partake of the obligation of the contract between the University and the Bondholders and shall be enforceable accordingly. In this connection, any Bond Insurer

and any provider of a surety bond, insurance policy, line of credit or letter of credit as contemplated under Section 7.04(D) hereof may enforce the terms, conditions and obligations under this Bond Resolution as a third party beneficiary hereunder.

Section 17.03 Parties Interested Herein.

Nothing in this Bond Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the University, the Trustee, a municipal bond insurance company that has insured a Series of Bonds, an issuer of a surety bond, line of credit, insurance policy or letter of credit to fund a Debt Service Reserve Fund, and the Holders of the Bonds, any right, remedy or claim under or by reason of this Bond Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Bond Resolution made by and on behalf of the University shall be for the sole and exclusive benefit of the University, the Trustee, such municipal bond insurance company and the Holders of the Bonds.

Section 17.04 Effect of Invalidity of Provisions of Bond Resolution.

If any section, paragraph, clause or provision of this Bond Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Bond Resolution.

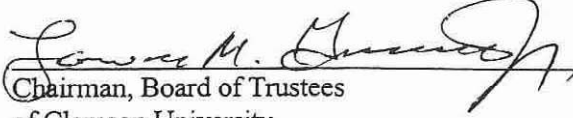
Section 17.05 Repealing Clause.

All resolutions, or parts thereof, inconsistent herewith be and the same are hereby repealed to the extent of such inconsistencies.

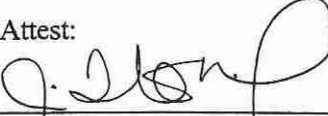
[End of Article XVII]

DONE, RATIFIED AND ADOPTED this 16th day of April, 1999.

(SEAL)


Chairman, Board of Trustees
of Clemson University

Attest:


Secretary, Board of Trustees
of Clemson University

STATE OF SOUTH CAROLINA)
)
COUNTY OF PICKENS)


CERTIFIED COPY OF
BOND RESOLUTION

I, the undersigned, Secretary of the Board of Trustees (the "Board") of Clemson University, South Carolina, hereby certify that attached hereto is an exact, verbatim copy of the Bond Resolution unanimously adopted by the Board at a regular meeting duly called and held on April 16, 1999, at which meeting a quorum was present and remained throughout and which meeting was open to the public.

The Bond Resolution has been recorded in the Board's records of proceedings and remains in my custody as Secretary of the Board, and the Bond Resolution remains in full force and effect and has not been amended, modified, or repealed.

WITNESS my Hand and the Seal of Clemson University, South Carolina, this 16th day of April, 1999.

(SEAL)



Secretary, Board of Trustees of Clemson University

A RESOLUTION

PROVIDING FOR THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF ATHLETIC FACILITIES REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING THIRTY-ONE MILLION DOLLARS (\$31,000,000); THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO.

2024 SERIES RESOLUTION

July 18, 2024

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BE IT RESOLVED BY THE BOARD OF TRUSTEES OF CLEMSON UNIVERSITY, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

Section 1.01 Findings.

As an incident to the adoption of this Series Resolution (hereinafter, this “2024 Series Resolution”), and the issuance of the Athletic Facilities Revenue Bonds provided for herein, the Board of Trustees of Clemson University (the “Board of Trustees”), the governing body of Clemson University, South Carolina (the “University”) finds, as a fact, that each of the statements hereinafter set forth in this Article I is in all respects true and correct.

(A) The Board of Trustees has made general provision for the issuance from time to time of Athletic Facilities Revenue Bonds of the University (the “Bonds”) through the means of a bond resolution adopted on April 16, 1999, entitled “A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO” (the “Bond Resolution”). All capitalized terms which are not defined herein shall have the meanings set forth in the Bond Resolution.

(B) It is provided in and by the Bond Resolution that, upon adoption of a “Series Resolution,” there may be issued one or more series of Bonds for the purpose of:

- (1) obtaining funds for the construction of new Athletic Facilities or the permanent improvement, expansion or renovation of existing Athletic Facilities, including payment of capitalized interest during such construction, improvement, expansion or renovation on any Series of Bonds issued for such purposes plus a period not exceeding six (6) months;
- (2) providing funds for the payment of any bond anticipation note or notes that may have been issued in anticipation of the issuance and sale of Bonds;
- (3) refunding, by exchange or otherwise, Bonds or other obligations issued to provide land or facilities which are or are to become a part of the Athletic Facilities or which are or were payable in whole or in part from the revenues of the Athletic Department;
- (4) funding any Debt Service Reserve Fund (including the purchase of a surety bond, insurance policy, line of credit or letter of credit as provided under Section 7.04(D) of the Bond Resolution) or restoring the value of the cash and securities in any Debt Service Reserve Fund to an amount equal to the applicable Reserve Requirements;
- (5) purchasing or providing for credit enhancement for any Series of Bonds; and

(6) paying costs of issuance of Bonds.

(C) The Board of Trustees has determined that a current need exists to construct, improve, expand, renovate, and equip Athletic Facilities on the campus of the University, including (i) University, visiting team, and officiating professionals locker room facilities, (ii) sports medicine, nutrition and strength and conditioning facilities, (iii) fan amenities, and (iv) competition venues, and infrastructure related thereto on the campus of the University (the “Project”).

(D) In order (i) to defray a portion of the costs of the Project, and (ii) to pay related financing costs and expenses, the Board of Trustees finds it necessary to issue Bonds and has determined to adopt this 2024 Series Resolution in accordance with the terms and provisions of the Bond Resolution in order to effect the issuance thereof, as set forth herein.

(E) Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended, authorizes institutions of the State of South Carolina to borrow in anticipation of the issuance of bonds. Pending the issuance of the Series of Bonds authorized hereby, the Chief Financial Officer and the State Treasurer may determine to provide for the issuance of notes as described herein.

[End of Article I]

ARTICLE II
DEFINITIONS AND AUTHORITY

Section 2.01 Definitions.

(A) All terms which are defined in Article II of the Bond Resolution shall have the same meanings, respectively, in this 2024 Series Resolution as such terms are given in the Bond Resolution.

(B) In addition, as used in this 2024 Series Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“2024 Series Resolution” means this 2024 Series Resolution authorizing the issuance of the Series 2024 Bonds and any supplements or amendments thereto.

“Beneficial Owner” means, for any Series 2024 Bond which is held by a nominee, the beneficial owner of such Series 2024 Bond.

“Bond Payment Date” means each May 1 and November 1 on which interest on any Series 2024 Bonds shall be payable or on which both a Principal Installment and interest on the Series 2024 Bonds shall be payable.

“Bond Resolution” means the resolution adopted by the Board of Trustees on April 16, 1999, entitled “A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO,” as supplemented or amended by this 2024 Series Resolution and any other Series Resolution or amendatory Bond Resolution adopted subsequent to the date of the Bond Resolution.

“Continuing Disclosure Undertaking” means that certain Disclosure Dissemination Agent Agreement substantially in the form attached hereto as Exhibit B, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Corporate Trust Office,” when used with respect to the Paying Agent and the Registrar, means the office at which the principal corporate trust business of such party shall be administered and to the extent the State Treasurer shall act as the Paying Agent and the Registrar, “Corporate Trust Office” means the Office of the State Treasurer.

“Date of Issue” means, as to a Series of the Bonds authorized by this 2024 Series Resolution, the date of delivery of such Series.

“Depository” means The Depository Trust Company, New York, New York, or other recognized securities depository selected by the University, which securities depository maintains a book-entry system in respect of the Series 2024 Bonds, and shall include any substitute for or successor to the securities depository initially acting as Depository.

“Depository Nominee” means, as to any Depository, such Depository or the nominee of such Depository in whose name there shall be registered on the registration books maintained by the Registrar the Series 2024 Bond certificates to be delivered to and immobilized at such Depository during the continuation with such Depository of participation in its book-entry system. Cede & Co. shall serve as the initial Depository Nominee hereunder.

“Governmental Unit” means a state or local governmental unit within the meaning of Section 141(b) of the Code.

“Municipal Bond Insurance Policy” means the municipal bond insurance policy, if any, issued by an Insurer, insuring the payment when due of the principal of and interest on the Series 2024 Bonds.

“Nongovernmental Person” means any Person other than a Governmental Unit.

“Note Enabling Act” means Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended, which authorizes institutions of the State of South Carolina to borrow in anticipation of the issuance of Bonds.

“Official Notice of Sale” means the document noticing the sale of the Series 2024 Bonds in connection with a public sale thereof containing the terms and conditions for the sale and award thereof, as established by the Chief Financial Officer and the State Treasurer.

“Official Statement” means any Official Statement of the University to be prepared and distributed in connection with a public sale or private sale for public reoffering and delivery of the Series 2024 Bonds as more particularly described in Section 5.02 hereof.

“Participants” means those broker-dealers, banks and other financial institutions for which the Depository holds Series 2024 Bonds as depository.

“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.

“Preliminary Official Statement” means the Preliminary Official Statement of the University to be prepared and distributed in connection with a public sale or private sale for public reoffering and delivery of the Series 2024 Bonds, in such form and as approved as more particularly described in Section 5.02 hereof.

“Project” has the meaning given such term in Section 1.01(C).

“Record Date” means the 15th day of the month preceding any Bond Payment Date.

“Series 2024 Bonds” means Bonds, in one or more Series, of the University authorized and issued pursuant to the Enabling Act, the Bond Resolution, and this 2024 Series Resolution.

“Series 2024 Construction Fund” means the fund of that name to be established pursuant to Section 4.04 hereof.

“Series 2024 Costs of Issuance Fund” means the fund of that name to be established pursuant to Section 4.05 hereof.

“Series 2024 Debt Service Fund” means the Debt Service Fund for the Series 2024 Bonds created pursuant to Section 4.02 hereof.

“Series 2024 Notes” means the Athletic Facilities Revenue Bond Anticipation Notes of the University authorized to be issued hereunder.

“Sinking Fund Date” has the meaning given that term in Section 3.06 hereof.

“Taxable Series” means a Series of Series 2024 Bonds so designated by the Chief Financial Officer, the interest upon which is not excludable from income for federal income tax purposes.

Section 2.02 Authority for this 2024 Series Resolution.

This 2024 Series Resolution is adopted pursuant to the provisions of the Enabling Act and the Bond Resolution.

[End of Article II]

ARTICLE III

AUTHORIZATION AND TERMS OF SERIES 2024 BONDS

Section 3.01 Principal Amount and Designation of Series.

(A) Pursuant to the provisions of the Bond Resolution, there is hereby authorized in one or more Series, Bonds of the University entitled to the benefits, protection, and security of the provisions thereof in an aggregate principal amount not exceeding \$31,000,000. Subject to the provisions of paragraph (B) of this Section, such Series of Bonds shall be designated “Clemson University, South Carolina Athletic Facilities Revenue Bonds, Series 2024.”

(B) Notwithstanding anything in this 2024 Series Resolution to the contrary, the “Series” designation of the Series 2024 Bonds authorized herein may, prior to the sale thereof, be changed from “2024” to any other year or other alphanumeric designation as may be determined by the Chief Financial Officer in his sole discretion, in order to appropriately distinguish between or among Series of Bonds.

Section 3.02 Purposes.

The Series 2024 Bonds are authorized for the purposes of:

- (1) paying the costs of, and reimbursing the University for capital expenditures previously made in connection with, the Project;
- (2) paying the principal of and interest on any Series 2024 Notes whether at maturity or early redemption; and
- (3) paying the costs of issuance of the Series 2024 Bonds, including any credit enhancement thereof.

Section 3.03 Direction to Chief Financial Officer and State Treasurer.

The Chief Financial Officer and the State Treasurer are hereby authorized to effect the issuance of the Series 2024 Bonds upon the terms and conditions set forth herein in an amount necessary to meet the purposes set forth in Section 3.02 hereof as determined by the Chief Financial Officer and the State Treasurer, not exceeding \$31,000,000 in aggregate principal amount.

Section 3.04 Maturity Schedule; Interest Payment Dates.

The Series 2024 Bonds shall mature on any Bond Payment Date in the principal amounts and in the years as shall be determined by the Chief Financial Officer and the State Treasurer; provided, that final maturity of the Series 2024 Bonds shall occur no later than that allowed pursuant to the Enabling Act. The Chief Financial Officer and the State Treasurer are authorized to determine which portion of the Series 2024 Bonds shall be serial Bonds and which shall be term Bonds. The Series 2024 Bonds shall bear interest at rates determined in the manner prescribed by

Section 3.08 hereof and Article V hereof on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Series 2024 Bonds shall be payable beginning on the first Bond Payment Date, such first Bond Payment Date to be determined by the Chief Financial Officer and State Treasurer, and semiannually thereafter on each Bond Payment Date of each year until full payment of the principal thereof. The interest payable on any Bond Payment Date will be paid to the persons in whose name the Series 2024 Bonds are registered at the close of business on each Record Date.

Section 3.05 Optional Redemption.

(A) The Chief Financial Officer and the State Treasurer, in their discretion upon advice received, shall determine whether the Series 2024 Bonds shall be subject to redemption prior to maturity at the option of the University, including applicable redemption dates and prices.

(B) In the event that the University shall from time to time, in accordance with the provisions of Section 3.05(A) hereof, elect to redeem Series 2024 Bonds, it shall give notice in accordance with the provisions of the Bond Resolution and this 2024 Series Resolution. Such notice shall specify the date fixed for redemption and the amount and maturities of the Series 2024 Bonds which are to be redeemed.

Section 3.06 Mandatory Sinking Fund Redemption.

(A) Certain of the Series 2024 Bonds, as determined by the Chief Financial Officer and State Treasurer, may be subject to mandatory redemption on such dates (hereinafter, the “Sinking Fund Dates”) and under the terms and conditions determined by the Chief Financial Officer and the State Treasurer, through the operation of sinking fund provisions, at the principal amount thereof, plus interest thereon to the redemption date. All other Series 2024 Bonds of such Series shall be Serial Bonds and no Series 2024 Bonds shall be Capital Appreciation Bonds.

(B) If a portion of the Series 2024 Bonds is subject to mandatory sinking fund redemption as provided in Paragraph (A) above, there shall be deposited with the Paying Agent on or before each Sinking Fund Date an amount sufficient to redeem or to pay (after credit as provided below) those principal amounts of Series 2024 Bonds so designated for mandatory redemption on the applicable Sinking Fund Date.

(C) The University, at its option, to be exercised prior to the 45th day immediately preceding any Sinking Fund Date, may:

(1) cause to be paid to the Paying Agent as a prepayment of sums then to become due, such amount of funds as the University may determine, with written instructions to the Paying Agent, signed in the name of the University, to be applied prior to said 45th day to the purchase of Series 2024 Bonds which are subject to mandatory redemption, or

(2) deliver any principal amount of Series 2024 Bonds which are subject to mandatory sinking fund redemption to the Registrar for cancellation,

and shall receive a credit in respect of its next ensuing mandatory sinking fund payment for any such Series 2024 Bond which prior to said Sinking Fund Date have been purchased or redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore applied as a credit against any sinking fund payment.

(D) Upon receipt of the funds and instructions specified in Paragraph (C)(1) above, the Paying Agent shall use all reasonable efforts to expend such funds in the purchase of such Series 2024 Bonds, at a price not exceeding the principal amount thereof plus interest accrued to such Sinking Fund Date. Any such funds not so expended by the Paying Agent shall be applied to the payment of the Series 2024 Bonds maturing on such Sinking Fund Date or returned to the Trustee for the benefit of the University. The Series 2024 Bonds so purchased or presented for cancellation as provided above shall be canceled by the Registrar as provided in Section 4.14 of the Bond Resolution and shall be credited, at their principal amount, until the full amount thereof has been so credited against the next ensuing and future sinking fund payments in chronological order to the extent otherwise payable to the University.

(E) The amount of any such mandatory sinking fund redemptions shall be reduced to the extent Series 2024 Bonds of the applicable maturity have been purchased by the University or redeemed by the University pursuant to any optional redemption provisions, in such manner as the University shall direct, or, absent such direction, on a pro rata basis.

Section 3.07 Partial Redemption.

If less than all of the Series 2024 Bonds are to be redeemed pursuant to any section of this 2024 Series Resolution, the Series and maturities of the Series 2024 Bonds to be redeemed shall be selected not less than forty-five (45) days prior to the date fixed for redemption in the manner provided by Section 4.15 of the Bond Resolution.

Section 3.08 Conditions Relating to Naming Interest Rates.

The Series 2024 Bonds shall bear such rate or rates of interest as shall at the sale of such Series 2024 Bonds be determined by the State Treasurer and the Chief Financial Officer to be in the best interests of the University, provided that:

- (1) all Series 2024 Bonds of the same maturity and Series shall bear the same rate of interest;
- (2) no rate of interest shall exceed 6%;
- (3) each interest rate named shall be a multiple of one-eighth (1/8) or one-twentieth (1/20) of one per centum (1%);
- (4) any premium offered must be paid in cash as part of the purchase price for the Series 2024 Bonds; and
- (5) all other restrictions as may be imposed by the State Treasurer and the Chief Financial Officer (including any modifications of any of Paragraphs (1) and (3))

above that are deemed to be in the best interest of the University) prior to the sale of the Series 2024 Bonds shall apply.

Section 3.09 Authentication; Payment of Interest.

(A) Each of the Series 2024 Bonds shall be authenticated on such date as it shall be delivered and shall bear interest from the Date of Issue, 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.

(B) The interest on all Series 2024 Bonds shall be paid by check or draft mailed from the office of the Paying Agent to the person in whose name the Series 2024 Bond is registered at the close of business on the applicable Record Date. Any Holder of \$1,000,000 or more in principal amount of Series 2024 Bonds shall be entitled by written request to the Paying Agent (which notice shall be valid for all future payments until rescinded) to direct that any payments of interest on such Series 2024 Bonds be transmitted to such Holder by wire transfer. Such request shall provide the Paying Agent with specific direction as to the manner of making such payment.

Section 3.10 Denomination; Numbering.

The Series 2024 Bonds shall be issued in the denomination of \$5,000 or any multiple thereof, not exceeding the principal amount of the Series 2024 Bonds maturing in such year. Each Series 2024 Bond shall be numbered by the Registrar in such a fashion as to reflect the fact that it is one of the Series 2024 Bonds, and to identify the Holder thereof on the books kept by the Registrar. The initial maturity of the Series 2024 Bonds shall be numbered R-1, and thereafter sequentially "R-" numbered for identification.

Section 3.11 Reserve Requirement.

The Series 2024 Bonds shall not be subject to a Reserve Requirement. To the extent any existing Bonds have a Reserve Requirement, it has currently been met and will be met at the time of issuance of the Series 2024 Bonds.

Section 3.12 Appointment of Trustee; Maintenance of Paying Agent and Registrar.

(A) The State Treasurer is hereby appointed to act as Trustee under this 2024 Series Resolution. The State Treasurer shall signify its acceptance of the duties of the Trustee under this 2024 Series Resolution and the Bond Resolution upon delivery of the Series 2024 Bonds.

(B) As long as any Series 2024 Bonds remain Outstanding, the University shall maintain a Paying Agent and a Registrar therefor, and any successor or substitute Paying Agent and Registrar shall be selected in accordance with Article XV of the Bond Resolution. The Series 2024 Bonds shall be presented for payment, and notices and demands to or upon the Trustee and the University in respect to the Series 2024 Bonds may be served, at the Corporate Trust Office of the Paying Agent. The Series 2024 Bonds shall be presented for registration of transfers and exchanges in accordance with the provisions of the Bond Resolution at the Corporate Trust Office of the Registrar.

Section 3.13 Form of Bonds.

The Series 2024 Bonds shall be substantially in the form attached hereto as Exhibit A, with such changes, modifications or amendments from such form as Chief Financial Officer and State Treasurer shall, upon advice of Bond Counsel, approve. The execution of the Series 2024 Bonds in accordance with the Bond Resolution and delivery of such Series 2024 Bonds being conclusive evidence of the approval of such changes, modifications, and amendments.

Section 3.14 Execution.

The Series 2024 Bonds shall be executed and authenticated in accordance with the applicable provisions of the Bond Resolution.

Section 3.15 No Recourse.

All covenants, stipulations, promises, agreements, and obligations of the University contained in the Bond Resolution or in this 2024 Series Resolution shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the University and not those of any officer or employee of the University in his or her individual capacity, and no recourse shall be had for the payment of the principal or redemption price of or interest on the Series 2024 Bonds or for any claim based thereon or on the Bond Resolution or on this 2024 Series Resolution, either jointly or severally, against any officer or employee of the University or any person executing the Series 2024 Bonds.

Section 3.16 Book-Entry System.

Unless otherwise determined by the Chief Financial Officer and the State Treasurer prior to the sale of any Series of Series 2024 Bonds, Series 2024 Bonds will be eligible securities for the purpose of the book-entry system of transfer maintained by the Depository, and transfers of beneficial ownership of the Series 2024 Bonds shall be made only through the Depository and its Participants in accordance with rules specified by the Depository. Such beneficial ownership must be of a \$5,000 principal amount of the Series 2024 Bonds of the same maturity and Series or any integral multiple of \$5,000, with each increment of \$5,000 being separately of a single maturity.

The Series 2024 Bonds shall be issued in fully registered form, and, if issued as book-entry-only securities, shall be issued in one certificate for each of the maturities of the Series 2024 Bonds, in the name of Cede & Co., as Depository Nominee. When any principal of, premium, if any, or interest on the Series 2024 Bonds becomes due, the Trustee shall cause the Paying Agent to transmit to the Depository an amount equal to such installment of principal, premium, if any, and interest. Such payments will be made to the Depository Nominee as long as it is owner of record on the applicable Record Date. The Depository Nominee shall be considered to be the owner of the Series 2024 Bonds so registered for all purposes of this 2024 Series Resolution, including, without limitation, payments as aforesaid and receipt of notices and exercise of rights of Series 2024 Bond owners.

If the book-entry system of transfer is maintained for the Series 2024 Bonds, the Trustee shall notify the Depository of any notice of redemption required to be given pursuant to this 2024

Series Resolution not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption.

The Depository is expected to maintain records of the positions of Participants in the Series 2024 Bonds, and the Participants and persons acting through Participants are expected to maintain records of the Beneficial Owners in the Series 2024 Bonds. The University makes no assurances that the Depository and its Participants will act in accordance with such rules or expectations on a timely basis, and the University shall have no responsibility for any such maintenance of records of transfer or payments by the Depository to its Participants, or by the Participants or persons acting through Participants to the Beneficial Owners.

If (a) the Depository determines not to continue to act as Depository for the Series 2024 Bonds, or (b) the University has advised the Depository of the University's determination that the Depository is incapable of discharging its duties, the University shall attempt to retain another qualified securities depository to replace the Depository. Upon receipt by the University of the Series 2024 Bonds together with an assignment duly executed by the Depository, the University shall execute and deliver to the successor depository, Series 2024 Bonds of the same principal amount, interest rate and maturity.

If the University is unable to retain a qualified successor to the Depository or the University has determined that it is in the best interest of the University not to continue the book-entry system of transfer or that the interest of the Beneficial Owners of the Series 2024 Bonds might be adversely affected if the book-entry system of transfer is continued (the University undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify Beneficial Owners of the Series 2024 Bonds by mailing an appropriate notice to the Depository, upon receipt by the University of the Series 2024 Bonds together with an assignment duly executed by the Depository, the University shall execute, and cause to be authenticated and delivered pursuant to the instructions of the Depository, Series 2024 Bonds in fully registered form, in substantially the form set forth in this 2024 Series Resolution, and in denominations of \$5,000 or any integral multiple thereof.

The Chief Financial Officer and the State Treasurer shall determine the Paying Agent and Registrar for the Series 2024 Bonds, prior to the sale thereof, which shall remain such so long as the Series 2024 Bonds are maintained in the book-entry system.

[End of Article III]

ARTICLE IV
DISPOSITION OF PROCEEDS

Section 4.01 Disposition of Proceeds of Series 2024 Bonds.

(A) Upon the delivery of any Series 2024 Bonds, the net proceeds received by the Trustee for the benefit of the University shall be applied as follows:

- (1) the amount determined necessary by the Chief Financial Officer to defray or reimburse Project costs shall be deposited in the Series 2024 Construction Fund;
- (2) the amount necessary to pay the principal of and interest on any Series 2024 Notes, whether at maturity or early redemption, shall be applied to such purpose; and
- (3) all remaining amounts shall be deposited to the Series 2024 Costs of Issuance Fund to defray the costs of issuance of the Series 2024 Bonds, including costs of credit enhancement therefor, if any.

(B) Neither the purchaser of the Series 2024 Bonds nor any Holder of the Series 2024 Bonds shall be liable for the proper application of the proceeds of the Series 2024 Bonds.

Section 4.02 Establishment and Funding of Series 2024 Debt Service Fund.

The Board of Trustees hereby establishes the Series 2024 Debt Service Fund pursuant to and for the purposes set forth in Section 7.03 of the Bond Resolution.

Section 4.03 No Series 2024 Debt Service Reserve Fund.

No debt service reserve fund shall be established in connection with the Series 2024 Bonds.

Section 4.04 Establishment and Funding of Series 2024 Construction Fund.

There is hereby established, in accordance with Section 7.07 of the Bond Resolution, the Series 2024 Construction Fund. There shall be paid into the Series 2024 Construction Fund those certain sums as prescribed under Section 4.01(A)(1) hereof. The Series 2024 Construction Fund shall be held, maintained, and controlled by the Trustee.

Moneys in the Series 2024 Construction Fund shall be invested and reinvested by the Trustee in Authorized Investments. All earnings shall be added to and become a part of the Series 2024 Construction Fund. Withdrawals from the Series 2024 Construction Fund shall be made upon written order of the University. Any amounts remaining in the Series 2024 Construction Fund following completion of the Project shall be used in the manner provided in Section 7.07(C) of the Bond Resolution.

Section 4.05 Establishment and Funding of Series 2024 Costs of Issuance Fund.

There is hereby established, in accordance with Section 7.07(A) of the Bond Resolution, the Series 2024 Costs of Issuance Fund, to be held, maintained, and controlled by the Trustee as a separate subaccount of the Series 2024 Construction Fund. The costs of issuance of the Series 2024 Bonds, including any credit enhancement therefor, shall be paid therefrom. Six months following the date of delivery of the Series 2024 Bonds, or on such earlier date as all applicable costs of issuance have been paid, all remaining sums shall be transferred to the Series 2024 Debt Service Fund or otherwise applied in a manner consistent with the disposition of surplus moneys in the Series 2024 Construction Fund.

[End of Article IV]

ARTICLE V

AUTHORIZATION TO SELL AND AWARD THE SERIES 2024 BONDS

Section 5.01 Manner of Sale.

(A) The Series 2024 Bonds shall be sold at public or private sale, including a negotiated sale for public reoffering, on such terms as the Chief Financial Officer and the State Treasurer shall determine to be in the best interest of the University. If sold pursuant to a public sale, the Series 2024 Bonds shall be advertised for sale by publication of a notice, which may be abbreviated from the Official Notice of Sale, in a newspaper of general circulation in the State. The abbreviated Official Notice of Sale may also be advertised in *The Bond Buyer* (a financial journal published in New York, New York). The Official Notice of Sale as a part of any such public sale shall be in substantially the form used by the University and the State Treasurer with respect to issues of revenue bonds.

(B) If the Series 2024 Bonds are to be sold pursuant to negotiation, such Series 2024 Bonds shall be sold to a financial underwriter or underwriters selected by the Chief Financial Officer and the State Treasurer pursuant to the terms of a contract of purchase, the form of which is to be approved by the Chief Financial Officer and the State Treasurer, and executed on behalf of the University by the Chief Financial Officer, upon advice of Bond Counsel. The terms of the Series 2024 Bonds as set forth in such contract of purchase shall be as determined by the Chief Financial Officer and the State Treasurer in accordance with the provisions of Section 3.04 hereof.

Section 5.02 Distribution of Official Statement.

The Chief Financial Officer is hereby authorized to cause to be prepared a Preliminary Official Statement with respect to the offering and sale of the Series 2024 Bonds and, subsequent to the sale of the Series 2024 Bonds, a final Official Statement. The Chief Financial Officer, or his designee, is hereby authorized to deem final the Preliminary Official Statement pursuant to United States Securities and Exchange Commission Rule 15c2-12.

Section 5.03 Award of the Series 2024 Bonds.

If sold pursuant to a public sale, upon receipt of bids for the Series 2024 Bonds, the Chief Financial Officer and the State Treasurer shall, and they are hereby authorized to, award the Series 2024 Bonds to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the Official Notice of Sale and determined at the discretion of the Chief Financial Officer and the State Treasurer, without further action on the part of the Board of Trustees if the Chief Financial Officer and the State Treasurer shall determine that it is in the interest of the University to make such award.

[End of Article V]

ARTICLE VI
SERIES 2024 NOTES

Section 6.01 Authority to Issue Series 2024 Notes; Board of Trustees Approval of Amount.

If the Chief Financial Officer and the State Treasurer should determine that issuance of Series 2024 Notes, in one or more series, pursuant to the Note Enabling Act would be in the best interest of the University, the Chief Financial Officer and the State Treasurer are hereby further requested and authorized to effect the issuance of Series 2024 Notes pursuant to the Note Enabling Act. If Series 2024 Notes are issued and if, upon the maturity thereof the Chief Financial Officer and the State Treasurer should determine that renewal or refunding Series 2024 Notes would be in the best interest of the University, they are authorized to continue the issuance of Series 2024 Notes until the Chief Financial Officer and the State Treasurer determine to issue Series 2024 Bonds on the basis as aforesaid, and such Series 2024 Bonds are issued. The aggregate stated principal amount of all Series 2024 Notes outstanding from time to time shall not exceed \$31,000,000.

The proceeds of any Series 2024 Notes issued hereunder shall be applied for the purpose for which proceeds of the Series 2024 Bonds may be applied, to provide for the renewal or refunding of any Series 2024 Notes, or to provide for the costs of issuance thereof, or any combination thereof.

Section 6.02 Details of Series 2024 Notes.

Subject to changes in terms required for any particular issue of Series 2024 Notes, the Series 2024 Notes and additional series of notes, if any, shall be subject to the following particulars:

(A) The Series 2024 Notes shall be dated and bear interest either from the Date of Issue, or in such manner as shall be determined by the Chief Financial Officer and the State Treasurer; shall be payable upon the stated maturity thereof at the rate or rates determined by the Chief Financial Officer and the State Treasurer determined in the manner prescribed by Sections 6.02(C) or 6.02(D) below on the basis of a 360-day year of twelve 30-day months; and shall mature on such date, not to exceed one year from the Date of Issue thereof. The Series 2024 Notes may be issued as draw down obligations, in which event interest shall accrue and be payable thereon based on the dates of and principal amounts advanced.

(B) The Series 2024 Notes shall be numbered from R-1 upwards for each issue and shall be in the denomination of \$5,000 or any integral multiple thereof requested by the purchaser thereof or as may be specified by the Chief Financial Officer and the State Treasurer. The Chief Financial Officer and the State Treasurer shall determine the Paying Agent and Registrar for the Series 2024 Notes, prior to the sale thereof. The Series 2024 Notes shall be payable, both as to principal and interest, in legal tender upon maturity, at the Corporate Trust Office of such Paying Agent.

(C) The Series 2024 Notes shall bear such rate or rates of interest as shall at the sale of Series 2024 Notes referred to in Section 6.02(D) hereof be determined by the Chief Financial Officer and the State Treasurer to be in the best interest of the University; provided, however, that:

- (1) the interest rate named shall be expressed as 1/100 of one percent;
- (2) all other restrictions as may be imposed by the State Treasurer and the Chief Financial Officer (including any modifications to item (1) above that are deemed to be in the best interest of the University) prior to the sale of the Series 2024 Notes shall apply; and
- (3) no rate of interest shall exceed 6% per annum.

(D) (1) The Series 2024 Notes may be sold at public or negotiated sale, on such terms as the Chief Financial Officer and the State Treasurer shall determine to be in the best interest of the University. If sold pursuant to a public sale, the Series 2024 Notes shall be advertised by publication of a notice, which may be abbreviated from the Official Notice of Sale, in a financial journal published in the City of New York, New York. The Official Notice of Sale as a part of any such public sale shall be in substantially the form used by the University with respect to its other issues of revenue bonds.

(2) The Chief Financial Officer is hereby authorized to cause to be prepared a Preliminary Official Statement with respect to the offering and sale of the Series 2024 Notes and, subsequent to the sale of the Series 2024 Notes, a final Official Statement. The Chief Financial Officer is hereby authorized to deem final the Preliminary Official Statement pursuant to United States Securities and Exchange Commission Rule 15c2-12.

(3) If sold pursuant to a public sale, the Chief Financial Officer and the State Treasurer are hereby authorized and empowered to award the sale of the Series 2024 Notes in accordance with the provisions of this Article to the bidder submitting the bid most advantageous to the University. The Chief Financial Officer and the State Treasurer will apply their discretion in determining the bid most advantageous to the University.

(E) The Series 2024 Notes shall be in substantially the form attached hereto as Exhibit C, provided, however, that such form may be substantially revised upon advice of Bond Counsel to achieve the objectives of the University as determined by the Chief Financial Officer and the State Treasurer, including any modification to accommodate a draw-down structure. The Series 2024 Notes shall state on their face that they are issued in anticipation of the issuance of the Series 2024 Bonds and are payable, both as to principal and interest, from the proceeds thereof.

(F) The Series 2024 Notes shall be issued in fully registered form or a book-entry eligible form as specified by the Chief Financial Officer and the State Treasurer, who may permit the purchaser to make such determination.

(G) In the event any Series 2024 Note is mutilated, lost, stolen or destroyed, the University may execute a new Series 2024 Note of like date and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Series 2024 Notes, such mutilated Series 2024 Note shall first be surrendered to the University or to its designated agent,

and in the case of any lost, stolen or destroyed Series 2024 Note, there shall be first furnished to the University or its agent evidence of such loss, theft or destruction satisfactory to the University or its agent, together with indemnity satisfactory to it; provided that, in the case of a holder which is a bank or insurance company, the agreement of such bank or insurance company to indemnify shall be sufficient. In the event any such Series 2024 Note shall have matured, instead of issuing a duplicate Series 2024 Note, the University may pay the same without surrender thereof. The University or its agent may charge the holder of such Series 2024 Note with its reasonable fees and expenses in this connection.

(H) Any Series 2024 Note issued in fully registered form shall be transferable only upon the books of registry of the University, which shall be kept for that purpose at the office of the registrar (the "Note Registrar"), by the registered owner thereof or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Note Registrar, duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any Series 2024 Note, the Note Registrar shall issue, subject to the provisions of Paragraph (I) below, in the name of the transferee, a new Series 2024 Note or Series 2024 Notes of the same aggregate principal amount as the unpaid principal amount of the surrendered Series 2024 Note or Series 2024 Notes. Any holder of a Series 2024 Note in fully registered form requesting any transfer shall pay any tax or other governmental charge required to be paid with respect thereto. As to any Series 2024 Note in fully registered form, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal and interest of any Series 2024 Note in fully-registered form shall be made only to or upon the order of the registered holder thereof, or his duly authorized attorney, and the University, the Note Registrar shall not be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2024 Note to the extent of the sum or sums so paid.

(I) Series 2024 Notes issued in fully registered form, upon surrender thereof at the office of the Note Registrar, with a written instrument of transfer satisfactory to the Note Registrar, duly executed by the holder of the Series 2024 Note or his duly authorized attorney, may, at the option of the holder of the Series 2024 Note, and upon payment by such holder of any charges which the University or the Note Registrar may make as provided in Paragraph (J) below, be exchanged for a principal amount of Series 2024 Notes in fully registered form of any other authorized denomination equal to the unpaid principal amount of surrendered Series 2024 Notes.

(J) In all cases in which the privilege of exchanging or transferring Series 2024 Notes in fully registered form is exercised, the University shall execute and deliver Series 2024 Notes in accordance with the provisions hereof. All Series 2024 Notes in fully registered form surrendered in any such exchanges or transfers shall forthwith be cancelled by the University. There shall be no charge to the holder of such Series 2024 Note for such exchange or transfer of Series 2024 Notes in fully registered form except that the University and Note Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer.

(K) The Chief Financial Officer, in his discretion and on advice received, shall determine whether the Series 2024 Notes shall be subject to redemption prior to maturity at the

option of the University, including applicable redemption dates and prices. In the event that the University shall elect to redeem Series 2024 Notes, it shall give notice to the Trustee, Note Registrar and Paying Agent of such optional redemption. Such notice shall specify the date fixed for redemption.

Section 6.03 Security for Series 2024 Notes.

For the payment of the Series 2024 Notes, there are hereby pledged the proceeds derived from the sale of the Series 2024 Bonds issued pursuant to this 2024 Series Resolution or if such Series 2024 Bonds are not issued prior to the maturity of the Series 2024 Notes, from the sale, issuance and delivery of renewal or refunding Series 2024 Notes. The proceeds of such Series 2024 Bonds, when received by the University, shall be applied first to the payment of principal of and interest on the Series 2024 Notes. The University shall either issue such Series 2024 Bonds and apply the proceeds to the redemption of the Series 2024 Notes or shall provide funds therefor from other sources, including the issuance of renewal or refunding Series 2024 Notes.

[End of Article VI]

ARTICLE VII

CERTAIN TAX AND DISCLOSURE MATTERS

Section 7.01 Compliance with the Code.

(A) General Tax Covenant. The University will comply with all requirements of the Code in order to preserve the tax-exempt status of the Series 2024 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 University covenants to execute any and all agreements or other documentation as it may be advised by Bond Counsel will enable it to comply with Sections 7.01 and 7.02 hereof, including its certification on reasonable grounds that the Series 2024 Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code.

(B) Tax Representations. The University 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 Series 2024 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 University represents and covenants that:

- (1) All property financed or refinanced with the proceeds of the Series 2024 Bonds will be owned by the University or another Governmental Unit so long as the Series 2024 Bonds are Outstanding in accordance with the rules governing the ownership of property for federal income tax purposes.
- (2) The University shall not use, and will not permit any party to use, the proceeds of the Series 2024 Bonds, or any Bonds refunded thereby, in any manner that would result in (i) ten percent or more of such proceeds being considered as having been used directly or indirectly in any trade or business carried on by any Nongovernmental Person, (ii) five percent or more of such proceeds being considered as having been used directly or indirectly in any trade or business of any Nongovernmental Person that is either “unrelated” or “disproportionate” to the governmental use of the financed facility by the University or by any other Governmental Unit (as the terms “unrelated” and “disproportionate” are defined for purposes of Section 141(b)(3) of the Code) or (iii) five percent or more of such proceeds being considered as having been used directly or indirectly to make or finance loans to any Nongovernmental Person.
- (3) The University 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.

- (4) The University will not sell, or permit any other party to sell, any property financed or refinanced with the Series 2024 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 Series 2024 Bonds.
- (5) The Series 2024 Bonds will not be “federally guaranteed” within the meaning of Section 149(b) of the Code.

Section 7.02 Arbitrage Covenant; Authorization to Execute Tax Certificate.

(A) Arbitrage Bonds, Rebate. The University covenants that no use of the proceeds of the sale of any Series 2024 Bonds shall be made which, if such use had been reasonably expected on the Date of Issue of such Series 2024 Bonds would have caused Series 2024 Bonds to be “arbitrage bonds” as defined in the Code, and to that end the University shall:

- (1) comply with the applicable regulations of the Treasury Department previously promulgated under Section 103 of the Internal Revenue Code of 1954, as amended, and any regulations promulgated under the Code, so long as Series 2024 Bonds are Outstanding;
- (2) 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;
- (3) make such reports of such information at the time and places required by the Code and Regulations; and
- (4) take such other action as may be required to assure that the tax-exempt status of the Series 2024 Bonds will not be impaired.

(B) Tax Certificate. The Chief Financial Officer is hereby authorized and directed to execute, at or prior to delivery of any Series of Series 2024 Bonds, a certificate or certificates specifying actions taken or to be taken by the University, and the reasonable expectations of such official, with respect to such Series of Bonds, the proceeds thereof, or the University.

Section 7.03 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 Series 2024 Bonds. To that end, the Board of Trustees determines and declares as follows:

- (1) No funds from any sources other than the Series 2024 Bonds 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 acquisition, construction, and equipping of the Project to be funded with the Series 2024 Bonds;

- (2) The University reasonably expects that all or a portion of the expenditures incurred for the Project and the issuance of the Series 2024 Bonds will be paid prior to the issuance of the Series 2024 Bonds;
- (3) 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 Series 2024 Bonds from the proceeds of the Series 2024 Bonds, and such intention is consistent with the budgetary and financial circumstances of the University;
- (4) All of the costs to be paid or reimbursed from the proceeds of the Series 2024 Bonds will be for costs incurred in connection with the issuance of the Series 2024 Bonds, 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
- (5) this 2024 Series Resolution shall constitute a declaration of official intent under United States Department of the Treasury Regulation Section 1.150-2.

Section 7.04 Taxable Series.

The Chief Financial Officer is hereby authorized to designate all or a portion of the Series 2024 Bonds as a Taxable Series. In such event, the above Sections 7.01, 7.02, and 7.03 shall not apply to such Taxable Series.

Section 7.05 Continuing Disclosure.

(A) Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended (“Section 11-1-85”), the University will file with a central repository for availability in the secondary bond market when requested:

- (1) An annual independent audit of the University within 30 days of the receipt of the audit; and
- (2) Event specific information within 30 days of an event adversely affecting more than five percent of the revenues of the Athletic Department.

The only remedy for failure by the University to comply with the covenant in the above paragraph shall be an action for specific performance of such covenant. The University specifically reserves the right to amend or delete such covenant to reflect any change in or repeal of Section 11-1-85, without the consent of any Bondholder.

(B) In addition, if the Series 2024 Bonds are sold using an Official Statement such that the execution of a continuing disclosure undertaking is necessary in connection with the issuance of the Series 2024 Bonds, the University hereby covenants and agrees that it will comply with and carry out the provisions of the Continuing Disclosure Undertaking, in substantially the form attached hereto as Exhibit B. Notwithstanding any other provision of this 2024 Series Resolution, failure of the University to comply with the Continuing Disclosure Undertaking shall not be considered an event of default under the Bond Resolution or this 2024 Series Resolution, and no

liability for damages shall attach therefor. The sole remedy for such failure to comply shall be that any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the University to comply with its obligations under this paragraph.

[End of Article VII]

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Severability.

If any one or more of the covenants or agreements provided in this 2024 Series Resolution on the part of the University, the State Treasurer, the Trustee, the Paying Agent or the Registrar to be performed 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 2024 Series Resolution.

Section 8.02 Table of Contents and Section Headings Not Controlling.

The Table of Contents and the Headings of the several Articles and Sections of this 2024 Series Resolution have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this 2024 Series Resolution.

Section 8.03 Repealing Clauses.

All resolutions, or parts thereof, inconsistent herewith, be and the same are hereby rescinded and repealed to the extent of such inconsistencies.

Section 8.04 Series 2024 Bonds Issued as Multiple Series.

In the event Series 2024 Bonds are sold in more than one Series, separate funds and accounts shall be created and maintained for each Series of Series 2024 Bonds and appropriate numeric or alphanumeric designations shall be established so as to appropriately account for the funds established pursuant to Article IV hereof, as contemplated by Article VII of the Bond Resolution. Notwithstanding anything in the 2024 Series Resolution to the contrary, in the event that Series 2024 Bonds are sold in more than one Series, all references in this 2024 Series Resolution to Series 2024 Bonds shall, as the context may require, be read as referring to the applicable Series of Series 2024 Bonds.

Section 8.05 Combining of Series 2024 Bonds and Previously Authorized Bonds.

Notwithstanding anything contained in this 2024 Series Resolution to the contrary, if so determined by the Chief Financial Officer and the State Treasurer, in their discretion and upon the determination that it would be in the best interest of the University, the Series 2024 Bonds may be combined with any other Bonds of the University for sale. If the Chief Financial Officer and the State Treasurer deem it prudent, Series 2024 Bonds may be sold with other Bonds as a single Series of Bonds or as multiple Series of Bonds.

[End of Article VIII]

DONE IN MEETING DULY ASSEMBLED this 18th day of July 2024.


CLEMSON UNIVERSITY, SOUTH CAROLINA

(SEAL)



Kim A. Wilkerson, Chair
Board of Trustees of Clemson University

Attest:


April Purvis, Executive Secretary
Board of Trustees of Clemson University

FORM OF BOND

CLEMSON UNIVERSITY, SOUTH CAROLINA
ATHLETIC FACILITIES REVENUE BOND
SERIES 2024

No. _____

Interest Rate Maturity Date Original Issue Date CUSIP

Registered Holder: CEDE & CO.

Principal Amount: _____ DOLLARS (\$ _____)

CLEMSON UNIVERSITY, SOUTH CAROLINA (the “University”), 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 in the City of _____, State of _____ (the “Paying Agent”), and to pay interest on such principal sum at the Interest Rate set forth above (calculated on the basis of a 360-day year of twelve 30-day months), until the obligation of the University with respect to the payment of such Principal Amount shall be discharged.

This bond bears interest from the _____ 1 or the _____ 1 to which interest has been paid next preceding the authentication date hereof, unless the authentication date hereof is a _____ 1 or a _____ 1, in which event this bond will bear interest from the earlier of such authentication date or the date to which interest has last been paid; provided that if the authentication date hereof precedes _____ 1, 202_, or if the University shall fail to pay interest on _____ 1, 202_, then this bond will bear interest from _____, 202_. The interest so payable on any _____ 1 or _____ 1 will be paid to the person in whose name this bond is registered at the close of business on the 15th day of the _____ or on the 15th day of the _____ next preceding such _____ 1 or _____ 1, respectively (the “Record Date”).

Interest hereon is 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 on the Record Date at the address shown on the registration books kept by _____, in the _____, State of _____ (the “Registrar”). The principal of, redemption premium, if any, 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 \$ _____ aggregate principal amount Clemson University, South Carolina Athletic Facilities Revenue Bonds, Series 202__ dated _____, 202_ (the “Series 202__ Bonds”) of like tenor, except as to numbering, rate of interest, date of maturity and redemption provisions, issued pursuant to and in accordance with the Constitution and statutes of the State of South Carolina (the “State”), and in particular Title 59, Chapter 119, Article 9 of the Code of Laws of South Carolina 1976, as the same may be amended from time to time (the “Enabling Act”), and a bond resolution entitled “RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO” duly adopted by the Board of Trustees of Clemson University (the “Board of Trustees”) on April 16, 1999 (the “Bond Resolution”), and a Series Resolution entitled “A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF ATHLETIC FACILITIES REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING THIRTY-ONE MILLION DOLLARS (\$31,000,000); THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO” duly adopted by the Board of Trustees on July 18, 2024 (the “2024 Series Resolution” and together with the Bond Resolution, the “Resolution”), for the purpose of providing funds (i) to pay the costs of, and reimburse the University for capital expenditures made in connection with, the Project, (ii) to pay the principal and interest on any notes issued in anticipation of the issuance of such Bonds, and (iii) to pay the costs of issuance thereof

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 at the Corporate Trust Office of the Paying Agent and at the office of the Secretary of State of South Carolina.

So long as Cede & Co., as nominee of the Depository, 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 University, the Registrar and the Paying Agent may treat Cede & Co., or any successor nominee of the Depository as the sole and exclusive owner of the Series 2024 Bonds registered in its name for the purpose of the payment of the principal of or interest or premium, if any, on the Series 2024 Bonds, giving any notice permitted or required to be given to Bondholders under the Resolution, hereinafter defined, registering the transfer of Series 2024 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 University, 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 the Depository or any direct participant or any other person which is not shown on the registration books of the University (kept by the Registrar) as being a Bondholder with respect to: the accuracy of any records maintained by Depository or any direct participant; the payment by Depository 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 University; or any consent given or other action taken by Depository as a Bondholder.

Both the principal of and interest on this bond, as the same shall become due, are payable solely from the Net Revenues and from the gross receipts from the imposition of any Admissions Fee and any Special Student Fee.

The Resolution authorizes the issuance of additional bonds (“Additional Bonds”) on a parity with the Series 202__ Bonds which, when issued in accordance with the provisions of the Bond Resolution, will rank equally and be on a parity therewith and the University’s \$_____ Athletic Facilities Revenue Bonds, Series ____ (collectively, the “Bonds”).

THIS BOND SHALL NOT IN ANY EVENT CONSTITUTE AN INDEBTEDNESS OF THE STATE WITHIN THE MEANING OF ANY PROVISION, LIMITATION OR RESTRICTION OF THE CONSTITUTION OR STATUTES OF THE STATE. THE FAITH AND CREDIT OF THE STATE ARE NOT PLEDGED FOR THE PAYMENT OF PRINCIPAL OR INTEREST ON THE SERIES 2024 BONDS. THE UNIVERSITY IS NOT OBLIGATED TO PAY THIS BOND, OR THE INTEREST HEREON, SAVE AND EXCEPT FROM NET REVENUES AND THE RECEIPTS FROM THE IMPOSITION OF ANY ADMISSIONS FEE AND ANY SPECIAL STUDENT FEE.

No member of the Board of Trustees, nor any person required by the provisions of the Resolution to sign the Series 202__ Bonds, shall be liable thereon.

The University has covenanted in the Resolution to maintain and collect rates and charges for attendance at events held at any Athletic Facilities which, which combined with other Revenues and the gross receipts of any Admissions Fee and any Special Student Fee, shall at all times be sufficient: (i) to provide for the payment of the expenses of administration of the Athletic Department and such expenses for operation and maintenance of the Athletic Facilities as may be necessary to preserve the same in good repair and condition; (ii) to provide for the punctual payment of the principal of and interest on all Bonds and any Junior Lien Bonds that may from time to time be Outstanding; (iii) to maintain all Debt Service Funds and thus provide for the punctual payment of the principal of and interest on the Bonds; (iv) to maintain any and all Debt Service Reserve Funds in the manner herein prescribed; (v) to build and maintain a reserve for contingencies and for improvements, renovations and expansions of the Athletic Facilities other than those necessary to maintain the same in good repair and condition; (iv) to pay all amounts owing under a reimbursement agreement with any provider of a surety bond, insurance policy, line of credit, letter of credit or similar instrument as contemplated under Section 7.04(D) of the Bond Resolution; and (vii) to discharge all obligations imposed by the Enabling Act and by the Bond Resolution.

The Resolution provides that, in addition to other remedies, upon the happening of an Event of Default, subject to Section 17.01 of the Bond Resolution, the Trustee may, and upon the written request of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding shall, declare all Bonds Outstanding immediately due and payable.

The Series 202__ Bonds maturing on and prior to _____ 1, 20__, are not subject to optional redemption prior to their stated maturities.

The Series 202__ Bonds maturing after _____ 1, 20__, may be redeemed prior to their respective maturities at the option of the University on and after _____ 1, 20__, in

whole or in part at any time, and, if in part, in those maturities designated by the University (but only in integral multiples of \$5,000) upon 30 days written notice at the principal amount thereof and the interest accrued on such principal amount to the date fixed for redemption.

The Series 202__ Bonds maturing on _____ 1, 20__, are subject to mandatory sinking fund redemption commencing _____ 1, 20__, and will be redeemed (to the extent not previously redeemed) at one hundred percent (100%) of the principal amount, plus interest accrued to the redemption date, on May 1 of each of the following years in the respective amounts for each year specified below:

<u>_____ 1</u> <u>of the Year</u>	<u>Amount</u>
--------------------------------------	---------------

* Final maturity.

The amount of the mandatory sinking fund redemptions prescribed above shall be reduced to the extent Series 202__ Bonds of the applicable maturity have been purchased by the University or redeemed by the University pursuant to the optional redemption provisions set forth above, in such manner as the University shall direct, or, absent such direction, on a pro rata basis.

[If any of the Series 202__ Bonds, or portions thereof, are called for redemption, the Trustee will give notice to the Holders of any such Series 202__ Bonds to be redeemed, in the name of the University, of the redemption of such Series 202__ Bonds, or portions thereof, which notice will specify the Series 202__ Bonds and maturities to be redeemed, the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 202__ Bonds are to be redeemed, the numbers of such Series 202__ Bonds so to be redeemed, and, in the case of Series 202__ Bonds to be redeemed in part only, such notice will also specify the respective portions of the principal amount thereof to be redeemed. Such notice will be given by mailing a copy of the redemption notice by first class mail at least thirty (30) days prior to the date fixed for redemption to any Paying Agent or Agents and the Holder of each Series 2024 Bond to be redeemed, at the address shown on the registration books; provided, however, that failure to give such notice by mail, or any defect in the notice mailed to the Holder of any Series 2024 Bond, shall not affect the validity of the proceedings for the redemption of any other Series 2024 Bond. Provided funds for their redemption are on deposit with the Trustee or any Paying Agent, all Series 202__ Bonds so called for redemption will cease to bear interest on the specified redemption date and shall no longer be deemed to be Outstanding.]

If less than all of the Series 202__ Bonds are to be redeemed, the particular Series 202__ Bonds or portions of Series 202__ Bonds of each maturity to be redeemed shall be selected by the Registrar. In the event of redemption of less than all of the Series 202__ Bonds of any maturity, the Series 202__ Bonds or portions of Bonds of such maturity to be redeemed shall be selected by the Registrar by lot. Series 202__ Bonds in a denomination of more than \$5,000 may be redeemed in part from time to time in one or more units of \$5,000 in the manner provided in the Resolution.]

The Series 202__ Bonds are issuable only as fully registered bonds without coupons in denominations of \$5,000 or any multiple thereof not exceeding the principal amount of the Bonds maturing in each year.

This bond is transferable, at the times and as otherwise provided in the Resolution, only upon the registration books kept for that purpose at the office of the Registrar by the Holder in person or by his duly authorized attorney, upon (i) surrender of this Series 2024 Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Holder or his duly authorized attorney and (ii) payment of the charges, if any, prescribed in the Resolution. Thereupon a new fully registered Series 2024 Bond or Series 202__ Bonds of like maturity, interest rate, and redemption provisions and in a like aggregate principal amount will be issued to the transferee in exchange therefor as provided in the Resolution. The University and the Paying Agent 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 or redemption price hereof and interest due hereon and for all other purposes.

For every exchange or transfer of the Series 202__ Bonds, the University, the Paying Agent and 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.

This bond is being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One bond certificate with respect to each date on which Series 202__ Bonds are stated to mature is being issued and is required to be deposited with the Depository (as defined in the Bond Resolution) and immobilized in its custody. The book-entry system will evidence positions held in this bond by the Depository's Participants (as described in the 202__ Series Resolution), beneficial ownership of the Series 202__ Bonds in the principal amount of \$5,000 or any multiple thereof being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Depository and its Participants pursuant to rules and procedures established by the Depository and its Participants.

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, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, or transfer and certain franchise taxes.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State 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 University, does not exceed any limit prescribed by such Constitution or statutes.

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 University has caused this bond to be signed by the Chair of the Board of Trustees of Clemson University, its corporate seal to be impressed hereon, and the same to be attested by the Executive Secretary of the Board of Trustees of Clemson University.

CLEMSON UNIVERSITY, SOUTH CAROLINA

(SEAL)

Kim A. Wilkerson, Chair
Board of Trustees of Clemson University

Attest:

April Purvis, Executive Secretary
Board of Trustees of Clemson University

CERTIFICATE OF AUTHENTICATION

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

[_____], as Registrar

By: _____
Authorized Signatory

Date: _____, 202_

(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 of 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	Under Uniform Gift to Minors Act of
the of survivorship and not as State of _____	tenants in common

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

FORM OF CONTINUING DISCLOSURE
UNDERTAKING

DISCLOSURE DISSEMINATION AGENT
AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of _____, 20_ is executed and delivered by Clemson University (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Representative” means Sherri Rowland or Marsha Stowe, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having 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) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds, as listed in Exhibit A.

“Trustee” means the institution, if any, identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than February 1 of each fiscal year of the Issuer, commencing with the Annual Report for the fiscal year ending June 30, 20_. Such date and each anniversary thereof is the Annual Filing Date. 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 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies;"

2. “Non-Payment related defaults, if material;”
3. “Unscheduled draws on debt service reserves reflecting financial difficulties;”
4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”
5. “Substitution of credit or liquidity providers, or their failure to perform;”
6. “Adverse tax opinions, IRS notices or events affecting the tax status of the security;”
7. “Modifications to rights of securities holders, if material;”
8. “Bond calls, if material;”
9. “Defeasances;”
10. “Release, substitution, or sale of property securing repayment of the securities, if material;”
11. “Rating changes;”
12. “Tender offers;”
13. “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
14. “Merger, consolidation, or acquisition of the obligated person, if material;”
15. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”
16. “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
17. “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.”

- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of

Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. “amendment to continuing disclosure undertaking;”
2. “change in obligated person;”
3. “notice to investors pursuant to bond documents;”
4. “certain communications from the Internal Revenue Service;”
5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;”
10. “derivative or other similar transaction;” and
11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “change in fiscal year/timing of annual disclosure;”
3. “change in accounting standard;”
4. “interim/additional financial information/operating data;”

5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”
8. “consultant reports;” and
9. “other financial/operating data.”

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement under the headings:

- (i) [THE ATHLETIC DEPARTMENT – Football – Football Ticket Sales and Attendance;
- (ii) THE ATHLETIC DEPARTMENT – Basketball – Basketball Ticket Sales and Attendance;
- (iii) CERTAIN FINANCIAL INFORMATION OF THE UNIVERSITY AND THE ATHLETIC DEPARTMENT – Athletic Department Statement of Revenues, Expenditures and Transfers;
- (iv) CERTAIN FINANCIAL INFORMATION OF THE UNIVERSITY AND THE ATHLETIC DEPARTMENT – Components of Revenues, Expenses and Transfers of the Athletic Department;
- (v) CERTAIN FINANCIAL INFORMATION OF THE UNIVERSITY AND THE ATHLETICS DEPARTMENT – Admissions Fee Receipts;

- (vi) CERTAIN FINANCIAL INFORMATION OF THE UNIVERSITY AND THE ATHLETIC DEPARTMENT – Historical Net Revenues; and
- (vii) CERTAIN FINANCIAL INFORMATION OF THE UNIVERSITY AND THE ATHLETIC DEPARTMENT – Debt Service Coverage.]

(b) The Issuer’s complete audited financial statements for the preceding fiscal year prepared in accordance with accounting principles generally accepted within the United States of America as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with in accordance with accounting principles generally accepted within the United States of America as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. 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 or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the 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.

13. 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; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. 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
16. 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.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate

exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement; provided, however, that any such action may be initiated only in the federal or State courts located in Columbia, South Carolina. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the United States Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of South Carolina (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Dissemination Agent Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

CLEMSON UNIVERSITY, as Issuer

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	Clemson University
Obligated Person(s)	Clemson University
Name of Bond Issue:	Athletic Facilities Revenue Bonds, Series 20__
Date of Issuance:	_____, 20__
Date of Official Statement	_____, 20__

CUSIP Numbers:

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer	Clemson University
Obligated Person(s)	Clemson University
Name of Bond Issue:	Athletic Facilities Revenue Bonds, Series 20__
Date of Issuance:	_____, 20__
Date of Disclosure Agreement:	_____, 20__

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Dissemination Agent Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____].

Dated: _____

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf of the
Issuer

cc:

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: Clemson University

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

_____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
 2. _____ "Non-Payment related defaults, if material;"
 3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
 4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
 5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
 6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
 7. _____ "Modifications to rights of securities holders, if material;"
 8. _____ "Bond calls, if material;"
 9. _____ "Defeasances;"
 10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
 11. _____ "Rating changes;"
 12. _____ "Tender offers;"
 13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
 14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;"
 15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
 16. _____ "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
 17. _____ "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."
- _____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 East Robinson
Street Suite 300
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____, 20_, between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: Clemson

University Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;"
10. _____ "derivative or other similar transaction;" and
11. _____ "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 East Robinson
Street Suite 300
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____, 20__, between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: Clemson

University Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

____ Description of Voluntary Financial Disclosure (Check One):

1. _____ "quarterly/monthly financial information;"
2. _____ "change in fiscal year/timing of annual disclosure;"
3. _____ "change in accounting standard;"
4. _____ "interim/additional financial information/operating data;"
5. _____ "budget;"
6. _____ "investment/debt/financial policy;"
7. _____ "information provided to rating agency, credit/liquidity provider or other third party;"
8. _____ "consultant reports;" and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 East Robinson
Street Suite 300
Orlando, FL 32801
407-515-1100

Date:

FORM OF NOTE

CLEMSON UNIVERSITY, SOUTH CAROLINA
ATHLETIC FACILITIES REVENUE
BOND ANTICIPATION NOTE, SERIES 2024

No. _____

CUSIP _____

REGISTERED HOLDER: _____

PRINCIPAL SUM: _____ \$ _____

KNOW ALL MEN BY THESE PRESENTS, that CLEMSON UNIVERSITY, SOUTH CAROLINA, an institution of higher learning of the State of South Carolina (the “University”), for value received promises to pay, but only from the sources as hereinafter described, to the Registered Holder named above the principal sum of _____ and No/100 Dollars [or so much of such sum as is advanced] on _____, 20__, [unless sooner redeemed as provided for herein,] together with interest [on such principal sum or so much thereof as is advanced][from the date hereof][from the date of each such advance] at the rate of __ and _____/100 per centum (_____%) per annum, payable (on the basis of a 360-day year consisting of twelve 30-day months) at maturity.

This Series 202_ Note, which is one of an issue of \$ _____ aggregate principal amount of Athletic Facilities Revenue Bond Anticipation Notes, Series 2024, of the University (the “Series 202_ Note”), is being issued pursuant to and in accordance with the Constitution and statutes of the State of South Carolina (the “State”), and in particular Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended (the “Note Enabling Act”), and Title 59, Chapter 119, Article 9 of the Code of Laws of South Carolina 1976, as amended (the “Bond Enabling Act”); a bond resolution dated April 16, 1999 (the “Bond Resolution”), and a series resolution dated July 18, 2024, duly adopted by the Board of Trustees of Clemson University (the “Series Resolution”, and together with the Bond Resolution, the “Resolution”). This Series 202_ Note is payable, both as to principal and interest, from the proceeds of the Series 202_ Bonds authorized to be issued under the Resolution, or if said Series 202_ Bonds are not issued prior to the maturity of the Series 202_ Notes, from the sale, issuance, and delivery of an issue of renewal or refunding bond anticipation notes. Terms with initial capitals used herein and not otherwise defined have the meaning given such terms in the Resolutions.

This Series 202_ Note has been issued in fully-registered form, and all principal, interest or other amounts due hereunder shall be payable only to the registered owner hereof. The principal of and interest on this Series 202_ Note, when due, shall be payable upon presentation

and surrender of this Series 202_ Note at the principal office of _____, in the City of __, State of _____, as Paying Agent.

This Series 202_ Note may be transferred only upon assignment duly executed by the registered owner and validated by _____, as registrar (the “Registrar”) by both endorsement upon this Series 202_ Note and entry of the assignee’s name and address upon the registration records to be maintained by the Registrar. So long as any amount remains outstanding hereunder, there may be only one registered owner of this Series 202_ Note at any time. Any purported assignment in contravention of the foregoing requirements shall be, as to the University, absolutely null and void. The person in whose name this Series 202_ Note shall be registered shall be deemed and regarded as the absolute owner hereof for all purposes; and payment of the principal of and interest on this Series 202_ Note shall be made only to or upon the order of the registered owner or his legal representative. All payments made in this manner shall be valid and effective to satisfy and discharge the liability of the University upon this Series 202_ Note to the extent of the sum or sums paid. No person other than the registered owner shall have any other rights under this Series 202_ Note against the University. Notwithstanding the foregoing, nothing herein shall limit the rights of a person having a beneficial interest in this Series 202_ Note as against a person (including the registered owner) other than the University, as in the case where the registered owner is a trustee or nominee for two or more beneficial owners of an interest in this Series 202_ Note.

[This Series 202_ Note is not subject to redemption prior to maturity.]

This Series 202_ Note is a special obligation of the University and there are hereby pledged to the payment of this Series 202_ Note, both principal and interest, when due, the proceeds of the Series 202_ Bonds or if the Series 202_ Bonds are not issued prior to the maturity of the Series 202_ Notes, from the sale, issuance and delivery of an issue of renewal or refunding bond anticipation notes. The University at its option may also utilize any other funds available therefor for the payment of the principal of and interest on this Series 202_ Note. The full faith, credit, and taxing power of the State of South Carolina are not pledged for the payment of principal of and interest on this Series 202_ Note. The Board of Trustees agree that the University will issue no further bond anticipation notes in anticipation of the issuance of the Series 202_ Bonds.

This Series 202_ Note and the interest hereon are exempt from all state, county, municipal, school district and all other taxes or assessments, direct or indirect, general or special, and whether imposed for the purpose of general revenue or otherwise, except estate or other transfer taxes and certain fees or franchise fees or taxes.

This Series 202_ Note shall not be entitled to any benefit under the Resolution nor become valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Registrar specified below.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of South Carolina to exist, to happen, or to be performed precedent to or in the issuance of this Series 202_ Note, do exist, have happened, and have been performed in regular and due time, form, and manner; that the amount of this Series 202_ Note and the issue of which it is a part does not exceed any constitutional or statutory limitation thereon; and that the Board of Trustees has irrevocably obligated the University to issue and sell, prior to the stated maturity hereof, in the manner prescribed by law, the Series 202_ Bonds in anticipation of which this Series 202_ Note is issued.

IN WITNESS WHEREOF, the University has caused this Series 202_ Note to be executed in its name by the manual or facsimile signature of the Chair of the Board of Trustees, under the Seal of the University impressed hereon, and attested by the manual signature of the Executive Secretary of the Board of Trustees this _ day of _____ 2022.

CLEMSON UNIVERSITY, SOUTH CAROLINA

(SEAL)

Kim A. Wilkerson, Chair
Board of Trustees of Clemson University

Attest:

April Purvis, Executive Secretary
Board of Trustees of Clemson University

A RESOLUTION

APPROVING THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF ATHLETIC FACILITIES REVENUE BONDS OF CLEMSON UNIVERSITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$31,000,000; AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO

As an incident to the adoption of this resolution (this “Resolution”), the South Carolina State Fiscal Accountability Authority (the “Authority”) recites the following:

WHEREAS, the Board of Trustees of Clemson University (the “Board of Trustees”), the governing body of Clemson University, South Carolina (the “University”), is authorized by Title 59, Chapter 119, Article 9 of the Code of Laws of South Carolina 1976, as amended (the “Enabling Act”) to make provision for the issuance of athletic facilities revenue bonds (“Athletic Facilities Revenue Bonds”) to construct and improve certain facilities of the University designated by the Board of Trustees as intercollegiate athletic facilities (the “Athletic Facilities”) and to issue bonds payable from certain revenues of the Athletic Department of the University (the “Athletic Department”) in order to finance such construction and improvements. The Board of Trustees is authorized by the Enabling Act to further secure such bonds of the University payable from certain revenues of the Athletic Department by the pledge of the receipts of (i) such admissions fees as may be imposed by the Board of Trustees upon persons admitted to any event held at any of the Athletic Facilities for the purpose of providing assistance in the repayment of bonds and (ii) such special student fees as may be imposed by the Board of Trustees upon persons in attendance at any academic session of the University.

WHEREAS, on April 16, 1999, the Board of Trustees adopted a resolution entitled “A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATED THERETO” (the “Bond Resolution”), as a means of providing for the issuance from time to time of Athletic Facilities Revenue Bonds of a particular series pursuant to the provisions of a series resolution of the Board of Trustees, provided all conditions required by the Bond Resolution are met. Pursuant to the Bond Resolution, the Board of Trustees previously issued and there remain outstanding Athletic Facilities Revenue Bonds of the University.

WHEREAS, on July 18, 2024, the Board of Trustees adopted a series resolution entitled “A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF ATHLETIC FACILITIES REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING THIRTY-ONE MILLION DOLLARS (\$31,000,000); THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO” (the “2024 Series Resolution”) authorizing the issuance of Athletic Facilities Revenue Bonds, Series 2024 (the “Series 2024 Bonds”) to defray a portion of the costs to, construct, improve, expand, renovate, and equip Athletic Facilities on the campus of the University, including (i) University, visiting team, and officiating professionals locker room

facilities, (ii) sports medicine, nutrition and strength and conditioning facilities, (iii) fan amenities, and (iv) competition venues, and infrastructure related thereto on the campus of the University (the “Project”).

WHEREAS, the 2024 Series Resolution authorized the use of proceeds of the Series 2024 Bonds for the purposes of: (i) paying the costs of, and reimbursing the University for capital expenditures previously made in connection with, the Project; (ii) paying the principal of and interest on any Series 2024 Notes (as defined below) whether at maturity or early redemption; and (iii) paying the costs of issuance of the Series 2024 Bonds, including any credit enhancement thereof.

WHEREAS, the 2024 Series Resolution also authorizes the issuance of notes (the “Series 2024 Notes”) pursuant to Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended (the “Note Enabling Act”) in anticipation of the issuance of the Series 2024 Bonds for the purpose for which the Series 2024 Bonds may be issued, and further authorizes the renewal or refunding of Series 2024 Notes until such time as officials of the University and the State Treasurer determine to issue the Series 2024 Bonds. The proceeds of any Series 2024 Notes issued pursuant to the 2024 Series Resolution shall be applied for the purpose for which proceeds of the Series 2024 Bonds may be applied, to provide for the renewal or refunding of any Series 2024 Notes, or to provide for the costs of issuance thereof, or any combination thereof. Article VI of the 2024 Series Resolution provides that the Chief Financial Officer and the State Treasurer must determine that the issuance of Series 2024 Notes, including any refunding or renewal Series 2024 Notes, is in the best interest of the University prior to the issuance of Series 2024 Notes.

WHEREAS, the Board of Trustees has determined that a current need exists for the Project and the University has requested the Authority approve at this time the issuance by the University of the Series 2024 Bonds and the Series 2024 Notes, and other matters related thereto, as set forth in the 2024 Series Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

Section 1.01

The Bond Resolution and the 2024 Series Resolution, each in the form adopted by the Board of Trustees, have been presented to the Authority.

Section 1.02

Any capitalized term used in this Resolution, but not defined herein, shall have the meaning ascribed to such term in the Bond Resolution or the 2024 Series Resolution.

ARTICLE II

AUTHORIZATION FOR THE ISSUANCE AND SALE OF THE SERIES 2024 BONDS AND THE SERIES 2024 NOTES

Section 2.01

The Authority hereby approves and authorizes the issuance and sale of the Series 2024 Bonds in an aggregate principal amount not to exceed \$31,000,000 at public or private sale in accordance with and subject to the terms of the 2024 Series Resolution, including a negotiated sale for public reoffering as authorized in Article III and Article V thereof.

Section 2.02

The Authority hereby approves and authorizes the issuance and sale of the Series 2024 Notes in an aggregate principal amount not to exceed \$31,000,000 at public or private sale in accordance with and subject to the terms of the 2024 Series Resolution, including a negotiated sale for public reoffering as authorized by Article VI thereof, should the Chief Financial Officer and the State Treasurer determine that it would be in the best interest of the University to issue Series 2024 Notes in anticipation of the Series 2024 Bonds. This approval to issue and sell Series 2024 Notes includes the approval to issue refunding or renewal Series 2024 Notes without further action of the Authority, as described at Section 11-17-60 of the Note Enabling Act.

Section 2.03

On the basis of the foregoing and after due consideration of the facts above recited and other matters appurtenant thereto, this Resolution has been adopted.

Dated: August 27, 2024.



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Post Office Box 11509 (29211)
Columbia, SC 29201
MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

_____, 2024

Board of Trustees of Clemson University
Clemson, South Carolina

Re: \$ _____ Clemson University Athletic Facilities Revenue Bonds, Series
2024

Ladies and Gentlemen:

We have acted as bond counsel to Clemson University (the “University”) in connection with the issuance by the University of its \$ _____ Clemson University Athletic Facilities Revenue Bonds, Series 2024 (the “Series 2024 Bonds”). The Series 2024 Bonds are issued by the University pursuant to a bond resolution adopted by the Board of Trustees of the University (the “Board of Trustees”) on April 16, 1999 (the “Bond Resolution”); a series resolution adopted by the Board of Trustees on July 18, 2024 (the “2024 Series Resolution,” and together with the Bond Resolution, the “Resolution”); an approving resolution adopted by the State Fiscal Accountability Authority on August 27, 2024; and the Constitution and statutes of the State of South Carolina, including particularly Title 59, Chapter 119, Article 9 of the Code of Laws of South Carolina 1976, as amended (the “Enabling Act”). Each capitalized term used herein and not otherwise defined has the meaning given such term in the Resolution. Under the Resolution, both the principal of and interest on the Series 2024 Bonds, as the same shall become due, are payable solely from the Net Revenues and from the gross receipts from the imposition of any Admissions Fee and any Special Student Fee.

Regarding questions of fact material to our opinion, we have relied on the representations of the University contained in the Resolution, and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

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

1. The University is validly existing as a body politic and corporate and an institution of higher learning of the State of South Carolina, with the power to adopt the Resolution, perform the agreements on its part contained therein, and issue the Series 2024 Bonds.
2. The Resolution has been duly adopted by the Board of Trustees, and constitutes a valid and binding obligation of the University enforceable against the University.
3. The Resolution creates a valid lien on the Net Revenues and the gross receipts from the imposition of any Admissions Fee and any Special Student Fee pledged by the Resolution for the security of the Series 2024 Bonds on a parity with other Bonds issued or to be issued under the Resolution.

4. The Series 2024 Bonds have been duly authorized and executed by the University and are valid and binding limited obligations of the University, payable solely from the Net Revenues and the gross receipts from the imposition of any Admissions Fee and any Special Student Fee as provided in the Resolution. The purposes to which the proceeds of the Series 2024 Bonds will be applied are authorized by the Enabling Act. The Series 2024 Bonds do not constitute a general indebtedness of the University or an indebtedness of any kind of the State of South Carolina.

5. Under existing law, assuming continuing compliance with certain covenants made by the University 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, interest on the Series 2024 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 interest 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.

6. Under existing law, both the Series 2024 Bonds and the interest thereon are exempt from all taxation by the State of South Carolina, its counties, municipalities, and school districts, except estate, transfer, and certain franchise taxes. Interest on the Series 2024 Bonds is currently subject to the tax imposed on banks by Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, which is enforced by the South Carolina Department of Revenue as a franchise tax.

The rights of the holders of the Series 2024 Bonds and the enforceability of the Series 2024 Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights generally, whether considered at law or in equity, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the official statement with respect to the Series 2024 Bonds, or regarding the perfection or priority of the lien on the Net Revenues and the gross receipts from the imposition of any Admissions Fee and any Special Student Fee created under the Resolution (or any other document or instrument mentioned herein). Further, we express no opinion regarding tax consequences arising with respect to the Series 2024 Bonds other than expressly set forth herein.

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

CERTIFICATE OF CLEMSON UNIVERSITY
AS TO OUTSTANDING ATHLETIC FACILITIES REVENUE BONDS

I, the undersigned Chief Financial Officer of Clemson University, South Carolina (as such term is defined in the Bond Resolution), hereby certify that as of July 22, 2024, in connection with the request for approval submitted by the University on the date hereof to the South Carolina State Fiscal Accountability Authority in support of its proposed not exceeding \$31,000,000 aggregate principal amount Athletic Facilities Revenue Bonds, Series 2024:

- (1) On April 16, 1999, the Board of Trustees of Clemson University adopted a resolution entitled “A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO” (the “Bond Resolution”), as a means of providing for the issuance from time to time of Athletic Facilities Revenue Bonds of a particular series pursuant to the provisions of a Series Resolution of the Board of Trustees, provided all conditions required by the Bond Resolution are met.
- (2) Section 59-119-940 of the Code of Laws of South Carolina 1976, as amended, provides that the aggregate principal amount of Athletic Facilities Revenue Bonds of the University that may be outstanding at any time may not exceed \$500 million.
- (3) Pursuant to the Bond Resolution, the University previously issued and there remains outstanding \$170,020,000 in aggregate principal amount of Athletic Facilities Revenue Bonds of the University.
- (4) In addition to the currently outstanding Athletic Facilities Revenue Bonds, there has been approved not exceeding \$20,750,000 in aggregate principal amount of Athletic Facilities Revenue Bonds that are eligible for use on a current or proposed project.
- (5) The total aggregate principal amount of all outstanding, authorized but unissued, and currently proposed Athletic Facilities Revenue Bonds of the University is not more than \$221,770,000.

WITNESS my hand as of this 22nd day of July 2024.

CLEMSON UNIVERSITY



Richard D. Petillo
Vice President and Chief Financial Officer



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July 22, 2024

South Carolina State Fiscal Accountability Authority
Columbia, South Carolina

Re: Not Exceeding \$31,000,000 Clemson University Athletic Facilities Revenue
Bonds, Series 2024

Ladies and Gentlemen:

We are acting as bond counsel to Clemson University (the “University”) in connection with the proposed issuance by the University of the above-referenced bonds (the “Bonds”). At your request, we are delivering this opinion in connection with the University’s request¹ to the South Carolina State Fiscal Accountability Authority (the “SFAA”) dated July 22, 2024 (the “Petition”), to approve the issuance of the Bonds pursuant to the South Carolina Constitution and Acts of the General Assembly of the State of South Carolina, including particularly Title 59, Chapter 119, Article 9 of the Code of Laws of South Carolina 1976, as amended (the “Act”) in connection with the University’s proposed Jervey Athletic Center Renovations and Performance and Wellness Center Addition project.

In that capacity, we have examined originals or copies of the Petition, the Bond Resolution duly adopted on April 16, 1999, by the Board of Trustees of the University (the “Board of Trustees”), a Series Resolution duly adopted by the Board of Trustees on July 18, 2024 (together, the “Bond Resolution”), and a proposed resolution of the SFAA in the form submitted as part of the Petition (the “SFAA Resolution,” and together with the Petition, and the Bond Resolution, the “Transaction Documents”).

In rendering the opinion expressed below, we have relied solely on our examination of the Transaction Documents. We have not made any investigation as to any factual matter or as to the accuracy or completeness of any representation, warranty, data, or any other information, whether written or oral, that may have been made by or on behalf of the University, the SFAA or the parties to any of the documents related to the Bonds. Further, in rendering the opinion expressed below, we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of South Carolina, and the opinion is limited to the federal laws of the United States of America and the laws of the State of South Carolina. Nothing herein should be understood to render or express a credit or business judgement regarding the issuance of the Bonds.

Based upon the stated examination and assumptions, and subject to the stated qualifications and limitations, we are of the opinion, under existing law, that the Transaction Documents comply with all requirements of the Act, contain all required facts, information, and findings by the

¹ Transmitted by Pope Flynn, LLC to Delbert H. Singleton, Jr., as SFAA Secretary by transmittal letter dated July 22, 2024.

POPE FLYNN
GROUP

respective authorities, and are legally sufficient to allow the SFAA to approve the issuance of the Bonds through the adoption of the SFAA Resolution.

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

Very truly yours,

A handwritten signature in blue ink that reads "Pope Flynn LLC". The signature is stylized and cursive.

Pope Flynn, LLC

AGENCY: Clemson University

SUBJECT: Not Exceeding \$51,000,000 of General Obligation State Institution Bonds
(Issued on Behalf of Clemson University) of the State of South Carolina

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$51,000,000 of General Obligation State Institution Bonds (Issued on Behalf of Clemson University) of the State of South Carolina.

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.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$51,000,000 of General Obligation State Institution Bonds (Issued on Behalf of Clemson University) of the State of South Carolina.

ATTACHMENTS:

Pope 7/22/2024 letter; SFAA Resolution; NDIF



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 08/27/24

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H12 Issuer: State of South Carolina Series: 2024
 Borrower (if not Issuer): Clemson University
 Bond Caption: General Obligation State Institution Bonds (Issued on Behalf of Clemson University)
 Bond Resolution Amount: \$ 51,000,000 Est. Production/Par Amt: \$ 45,080,000

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

Final Production/Par Amt: \$ -**Submitted By:**

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

Transaction Type/Method of Sale:

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

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): YMSRB (EMMA) Continuing Disclosure Responsible Party: Office of State Treasurer

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: New School of Veterinary Medicine project
 Project Address/Location: Main Campus, Clemson University Amount: \$ 50,000,000
 Project Type: New Facilities County: Pickens
 Projected Avg Interest Rate: 3.77% (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, LLC
 Bond Counsel: Pope Flynn, LLC Issuer's Counsel: SC Attorney General
 Underwriter: TBD - Competitive Sale Trustee: N/A
 Paying Agent: US Bank Other: N/A

5. FINANCING/PROJECT DESCRIPTION

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

The bonds will provide proceeds necessary to construct and equip new school of veterinary medicine to provide for current needs and future growth. Costs of the issuance of the bonds are calculated at the anticipated par amount of \$45.08 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 9 assume a stand-alone issuance. The Office of State Treasurer may issue the bonds as part of a larger transaction to reduce costs if appropriate.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	07/18/24	Complete
JBRC Approval:	08/20/24	Proposed
SFAA Approval:	08/27/24	Proposed

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	07/18/24	Complete
JBRC Approval:	08/20/24	Proposed
SFAA Approval:	08/27/24	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
[] [X]

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

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected. Sq. Footage - []
Cost Estimate - \$ []

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
\$ 50,443,839	6/30/2025	Reimbursement of and payment for project costs and costs of
-	6/30/2026	
-	6/30/2026	
-	6/30/2027	
-	6/30/2028	
-	6/30/2029	
\$ 50,443,839		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 45,080,000	\$ 270,000,000	Project Fund
(b) Premium/Accr. Int.	5,363,839	-	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	220,000,000	-	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	-	-	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	-	443,839	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		-	Accrued Interest
Type -	-	-	Other
Type -	-	-	Other
(6) SCHFDA MFHRB Sources		-	Other
(a) LIHTC	-	-	Other
(a) State Housing TC	-	-	Other
(c) Owner's Equity/Other	-	-	Other
Total Project Sources	\$ 270,443,839	\$ 270,443,839	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			\$ 45,000	\$ -	\$ 45,000
Bond Counsel	Pope Flynn, LLC			25,000	-	25,000
Disclosure Counsel	Howell Linkous & Nettles			25,000	-	25,000
Issuer's Counsel				-	-	-
Underwriter's Counsel	N/A			-	-	-
Transaction Counsel	N/A			-	-	-
Legal Expenses				1,500	-	1,500
				-	-	-
Rating Agency - S&P				36,000	-	36,000
Rating Agency - Moody's				29,000	-	29,000
Rating Agency - Fitch				32,000	-	32,000
Underwriter's Compensation	TBD - Competitive			225,400	-	225,400
Registrar / Paying Agent	U.S. Bank National Assoc.			10,000	-	10,000
Escrow Agent				-	-	-
Accountant				-	-	-
Verification Agent				-	-	-
Printing	ImageMaster			5,000	-	5,000
Publishing	IPREO			1,500	-	1,500
Advertising	Bond Buyer			1,500	-	1,500
Contingency				6,939	-	6,939
Issuer's Fee	SC JEDA / SC SHFDA			-	-	-
				\$ 443,839	\$ -	\$ 443,839

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

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

0.10%	#DIV/0!
0.06%	#DIV/0!
0.11%	#DIV/0!
0.22%	#DIV/0!

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

0.50%	#DIV/0!
0.06%	#DIV/0!
0.98%	#DIV/0!



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July 22, 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 \$51,000,000 of General Obligation State Institution Bonds (Issued on Behalf of Clemson University) of the State of South Carolina

Dear Delbert:

On behalf of Clemson University, in connection with the authorization of the above-referenced bonds (the "Bonds"), and in anticipation of the South Carolina State Fiscal Accountability Authority (the "Authority") meeting scheduled for August 27, 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 Clemson University on July 18, 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 that reads 'Gary T. Pope, Jr.'.

Gary T. Pope, Jr.

c: Jackie D. Hipes, Assistant Director, Debt Management Division, Office of State Treasurer
Rick Petillo, Vice President and Chief Financial Officer, Clemson University

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: 7/22/2024

Submitted for SFAA Meeting on:
8/27/2024

FROM: Pope Flynn, LLC
1411 Gervais Street, Suite 300
P.O. Box 11509
Columbia, SC 29211

RE: Not Exceeding \$51,000,000 General Obligation State Institution Bonds (Issued on Behalf of Clemson University) of the State of South Carolina

Project Name: School of Veterinary Medicine Project

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

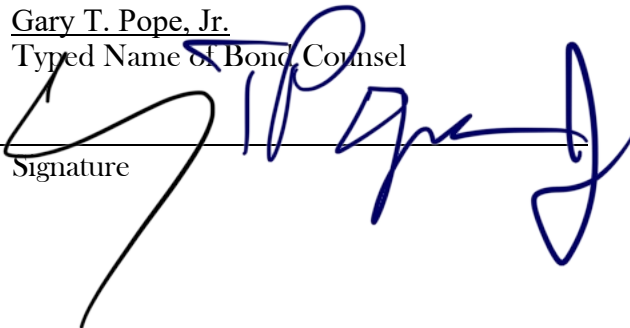
Amount: \$Click or tap here to enter text. *Check No:* Click or tap here to enter text.

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
CLEMSON UNIVERSITY

A RESOLUTION

REQUESTING THE ISSUANCE OF NOT EXCEEDING FIFTY-ONE MILLION DOLLARS (\$51,000,000) AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS ON BEHALF OF CLEMSON UNIVERSITY PURSUANT TO CHAPTER 107, TITLE 59, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

July 18, 2024

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A RESOLUTION

REQUESTING THE ISSUANCE OF NOT EXCEEDING FIFTY-ONE MILLION DOLLARS (\$51,000,000) AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS ON BEHALF OF CLEMSON UNIVERSITY PURSUANT TO CHAPTER 107, TITLE 59, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF CLEMSON UNIVERSITY IN A MEETING DULY ASSEMBLED:

SECTION 1. Findings of Fact. As an incident to the adoption of this Resolution, the Board of Trustees of Clemson University (the "Board of Trustees"), the governing body of Clemson University (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 refurbish 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 school of veterinary medicine, and related improvements and infrastructure, on the campus of the University (the "Project").

(d) The University estimates that the total cost of the Project will be approximately \$270,000,000. In order to fund a portion of the projected costs of the Project, and taking into account other available resources, including \$220,000,000 of State appropriations, the Board of Trustees now desires to make application to the State Authority to issue not exceeding Fifty-One Million Dollars (\$51,000,000) aggregate principal amount of General Obligation State Institution Bonds (Issued on Behalf of Clemson University) 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, 2023 through June 30, 2024, tuition fees available to pay debt service on State Institution Bonds amounted to the sum of \$87,981,180.

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 \$51,000,000.

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 Bonds Including Bonds Authorized Hereby. 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 \$51,000,000 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 \$51,000,000 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 Executive 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 the Executive 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 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.

SECTION 11. Executive Secretary to Present Resolution to State Authority. The Executive 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 Executive 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, reconstructing, improving, furnishing or refurbishing 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 18th day of July 2024.


CLEMSON UNIVERSITY, SOUTH CAROLINA

(SEAL)



Kim A. Wilkerson, Chair
Board of Trustees of Clemson University

Attest:



April Parvis, Executive Secretary
Board of Trustees of Clemson University

CLEMSON UNIVERSITY
SCHEDULE OF TUITION FEES IN EFFECT FOR PURPOSES OF
TITLE 59, CHAPTER 107 OF THE CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

	<u>In-State</u>	<u>Out-of-State</u>
Undergraduate		
Full-Time ¹	\$860	\$4,083
Matriculation ¹	5	5
Part-Time ²	77	359
Matriculation ¹	5	5
Graduate		
Full-Time ¹	820	2,045
Matriculation ¹	5	5
Part-Time ²	73	180
Matriculation ¹	5	5
Graduate Assistant ¹	10	10
Matriculation ¹	5	5

¹ Per Semester.

² Per Credit Hour.

For the fiscal year ended June 30, 2024, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$87,981,180. The tuition and fees generated for the 2024 summer term are not included.

The maximum principal and interest debt service payment prior to the issuance contemplated herein is \$26,576,063, which occurs in the fiscal year ending June 30, 2027.

The maximum principal and interest debt service payment after the issuance contemplated herein is anticipated to be \$30,256,327*, which is anticipated to occur in the fiscal year ending June 30, 2027.

* Preliminary, subject to change.

EXHIBIT B

CLEMSON UNIVERSITY
 PRO-FORMA DEBT SERVICE REQUIREMENTS OF
 NOT EXCEEDING \$51,000,000 STATE OF SOUTH CAROLINA
 GENERAL OBLIGATION STATE INSTITUTION BONDS,
 COMPUTED AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2025	\$ 1,335,000	\$ 1,251,135	\$ 2,586,135
June 30, 2026	1,940,000	1,737,151	3,677,151
June 30, 2027	2,005,000	1,675,265	3,680,265
June 30, 2028	2,065,000	1,613,711	3,678,711
June 30, 2029	2,125,000	1,550,729	3,675,729
June 30, 2030	2,190,000	1,486,766	3,676,766
June 30, 2031	2,255,000	1,421,066	3,676,066
June 30, 2032	2,325,000	1,353,191	3,678,191
June 30, 2033	2,395,000	1,283,208	3,678,208
June 30, 2034	2,465,000	1,211,119	3,676,119
June 30, 2035	2,540,000	1,136,676	3,676,676
June 30, 2036	2,620,000	1,055,650	3,675,650
June 30, 2037	2,710,000	967,618	3,677,618
June 30, 2038	2,805,000	872,768	3,677,768
June 30, 2039	2,905,000	770,946	3,675,946
June 30, 2040	3,015,000	662,299	3,677,299
June 30, 2041	3,130,000	545,619	3,675,619
June 30, 2042	3,255,000	420,732	3,675,732
June 30, 2043	3,390,000	288,253	3,678,253
June 30, 2044	3,530,000	147,907	3,677,907
Total	<u>\$ 51,000,000</u>	<u>\$ 21,451,803</u>	<u>\$ 72,451,803</u>

* Preliminary, subject to change.

EXHIBIT C

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

Fiscal Year Ending	Existing Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2025	\$ 16,020,000	\$ 10,550,513	\$ 26,570,513
June 30, 2026	16,820,000	9,749,513	26,569,513
June 30, 2027	17,650,000	8,926,063	26,576,063
June 30, 2028	18,420,000	8,148,213	26,568,213
June 30, 2029	19,215,000	7,353,413	26,568,413
June 30, 2030	19,485,000	6,780,325	26,265,325
June 30, 2031	19,835,000	5,925,625	25,760,625
June 30, 2032	15,660,000	5,148,269	20,808,269
June 30, 2033	16,080,000	4,580,794	20,660,794
June 30, 2034	16,525,000	3,991,481	20,516,481
June 30, 2035	14,600,000	3,379,069	17,979,069
June 30, 2036	14,995,000	2,829,700	17,824,700
June 30, 2037	11,750,000	2,258,450	14,008,450
June 30, 2038	7,070,000	1,787,250	8,857,250
June 30, 2039	7,405,000	1,450,450	8,855,450
June 30, 2040	7,350,000	1,097,400	8,447,400
June 30, 2041	7,215,000	739,500	7,954,500
June 30, 2042	7,575,000	378,750	7,953,750
Total	<u>\$ 253,670,000</u>	<u>\$ 85,074,775</u>	<u>\$ 338,744,775</u>

EXHIBIT D

SCHEDULE SHOWING PRO-FORMA TOTAL DEBT SERVICE REQUIREMENTS OF
ALL GENERAL OBLIGATION STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF CLEMSON UNIVERSITY
INCLUDING THE PROPOSED ISSUE OF
\$51,000,000 OF GENERAL OBLIGATION STATE INSTITUTION BONDS
COMPUTED AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	Combined Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2025	\$ 17,355,000	\$ 11,801,647	\$ 29,156,647
June 30, 2026	18,760,000	11,486,663	30,246,663
June 30, 2027	19,655,000	10,601,327	30,256,327
June 30, 2028	20,485,000	9,761,924	30,246,924
June 30, 2029	21,340,000	8,904,141	30,244,141
June 30, 2030	21,675,000	8,267,091	29,942,091
June 30, 2031	22,090,000	7,346,691	29,436,691
June 30, 2032	17,985,000	6,501,459	24,486,459
June 30, 2033	18,475,000	5,864,002	24,339,002
June 30, 2034	18,990,000	5,202,600	24,192,600
June 30, 2035	17,140,000	4,515,744	21,655,744
June 30, 2036	17,615,000	3,885,350	21,500,350
June 30, 2037	14,460,000	3,226,068	17,686,068
June 30, 2038	9,875,000	2,660,018	12,535,018
June 30, 2039	10,310,000	2,221,396	12,531,396
June 30, 2040	10,365,000	1,759,699	12,124,699
June 30, 2041	10,345,000	1,285,119	11,630,119
June 30, 2042	10,830,000	799,482	11,629,482
June 30, 2043	3,390,000	288,253	3,678,253
June 30, 2044	3,530,000	147,907	3,677,907
Total	<u>\$ 304,670,000</u>	<u>\$ 106,526,578</u>	<u>\$ 411,196,578</u>

* Preliminary, subject to change.

CLEMSON UNIVERSITY
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, 2024	\$ 87,981,180
Multiplied by	90%
Produces	\$ 79,183,062
Maximum annual debt service on all State Institution Bonds of the University (including the proposed issue of not exceeding \$51,000,000 of General Obligation State Institution Bonds issued on behalf of the University)	<u>\$ 30,256,327*</u>
Margin	\$ 48,926,735

* Preliminary, subject to change.

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING FIFTY-ONE MILLION DOLLARS (\$51,000,000) AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

BOND RESOLUTION

Adopted August 27, 2024

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A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING FIFTY-ONE MILLION DOLLARS (\$51,000,000) AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

ARTICLE I FINDINGS OF FACT

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

Section 1.01 General Findings of Authorization.

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

- (1) to construct, reconstruct, maintain, improve, furnish and refurbish 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 July 18, 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 \$51,000,000 to provide funds: (i) to construct, improve, and furnish a new school of veterinary medicine, and related improvements and infrastructure; (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 Fifty-One Million Dollars (\$51,000,000) aggregate principal amount General Obligation State Institution Bonds (Issued on Behalf of Clemson University), of the State of South

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

Section 1.02 Findings Required by the Enabling Act.

The Authority makes the following findings pursuant to Section 59-107-50 of the Enabling Act in connection with the application of the University for issuance of General Obligation State Institution Bonds in the amount of not exceeding \$51,000,000, 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 \$253,670,000 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, 2024, 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, 2024;
- (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 \$304,670,000.*

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 \$51,000,000 or one or more BANs in anticipation thereof, in order to provide funds which will be used to pay all or a portion of the costs of the Project, to pay the principal of and interest on the BANs, if any, and to pay the costs of issuance of such BANs or the Bonds.

[End of Article I]

* Preliminary, subject to change.

ARTICLE II
DEFINITIONS AND CONSTRUCTION

Section 2.01 Definitions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Governor” means the Governor of the State.

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

- (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 \$51,000,000 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 Fifty-One Million Dollars (\$51,000,000) aggregate principal amount of general obligation bonds of the State, designated "General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2025." 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 \$51,000,000. 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 \$51,000,000 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 (7) days before the date set for said sale. The Notice of Sale may be combined with a notice of sale for other general obligation bonds of the State being offered for sale at the same time, if any.

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

Section 5.02 Award of Bonds.

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

Section 5.03 Official Statement.

The Authority hereby authorizes the State Treasurer to prepare or cause to be prepared and to “deem final,” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, a preliminary official statement relating to the Bonds and to prepare or cause to be prepared and to approve a final official statement following the sale of the Bonds. The Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the Bonds.

Section 5.04 Combined Sales.

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

[End of Article V]

ARTICLE VI
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments.

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

- (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 depository for, and permit any of its officers or directors to effect or aid in, any reorganization growing out of the enforcement of the Bonds or this Resolution.

Section 8.06 Resignation of Any Fiduciary.

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

Section 8.07 Removal of Fiduciary.

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

Section 8.08 Appointment of Successor Fiduciaries.

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

(b) If in a proper case, no appointment of a successor Fiduciary shall be made by the State Treasurer pursuant to the foregoing provisions of this Section within 45 days after any Fiduciary shall have given to the State Treasurer written notice as provided in Section 8.06 hereof or after a vacancy in the office of such Fiduciary shall have occurred by reason of its removal or inability to act, the former Fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor.

Section 8.09 Transfer of Rights and Property to Successor.

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

Section 8.10 Merger or Consolidation.

Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act; provided, however, such company shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Resolution; and further provided, however, that such company otherwise meets the qualifications for successor Fiduciaries set forth in Section 8.08 herein.

Section 8.11 Adoption of Authentication.

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

[End of Article VIII]

ARTICLE IX
FEDERAL TAX CONSIDERATIONS

Section 9.01 Compliance with the Code.

The State will comply with all requirements of the Code in order to preserve the tax-exempt status of interest on the Bonds, including without limitation, (i) the requirement to file Form 8038-G, *Information Return for Tax-Exempt Government Obligations*, with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) of the Code. In this connection, the State covenants to execute any and all agreements, certificates and other documentation as it may be advised by bond counsel will enable it to comply with this Article IX, and such agreements, certificates and other documentation may be executed by an Authorized Officer.

Section 9.02 Tax Representations and Covenants.

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

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

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

(c) The State is not a party to, and will not enter into or permit any other party to enter into, any contract with any person involving the management of any facility financed or refinanced with the proceeds of the Bonds or by notes paid by the Bonds that does not conform to the guidelines set forth in Revenue Procedure 2017-13, or a successor revenue procedure, Code provision or Regulations.

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

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

Section 9.03 Arbitrage Bonds.

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

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

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

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

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

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

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

[End of Article IX]

ARTICLE X
MISCELLANEOUS

Section 10.01 Failure to Present Bonds.

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

Section 10.02 Severability of Invalid Provisions.

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

Section 10.03 Resolution to Constitute Contract.

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

Section 10.04 Execution of Closing Documents and Certificates.

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

Section 10.05 Filing of Copies of Resolution.

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

Section 10.06 Benefits of Resolution Limited to the State and Holders of the Bonds.

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

Section 10.07 No Personal Liability.

No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the State contained in this Resolution or the Bonds, against any member of the Authority, any officer or employee, as such, in his or her individual capacity, past, present or future, of the State, either directly or through the State, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Resolution and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer or employee as such, past, present or future, of the State, either directly or by reason of any of the obligations, covenants, promises or agreements entered into between the State and Bondholders or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the adoption of this Resolution and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Bonds, expressly waived and released. The immunity of members of the Authority, officers and employees of the State under the provisions contained in this Section shall survive the termination of this Resolution.

Section 10.08 Continuing Disclosure.

(a) In accordance with Section 11-1-85 of the South Carolina Code, the Authority hereby covenants to file with a central repository for availability in the secondary bond market when requested: (i) an annual independent audit, within thirty days of the State's receipt of the audit; and (ii) event specific information, within thirty days of an event adversely affecting more than five percent of the State's revenue or tax base. The only remedy for failure by the State to comply with the covenant in this Section 10.08 shall be an action for specific performance of this covenant. The Authority specifically reserves the right to amend this covenant to reflect any change in said Section 11-1-85 without the consent of any Bondholder.

(b) In addition, the State hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Failure of the State to comply with the Continuing Disclosure Undertaking shall not be considered an event of default hereunder; provided, however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the State to comply with its obligations under this Section 10.08(b). The Continuing Disclosure Undertaking shall be executed by the State Treasurer prior to the delivery of the Bonds and shall be substantially in such form as is set forth in Exhibit H hereto, together with such modifications and amendments thereto as shall be deemed necessary by the State Treasurer upon advice of counsel. Additionally, the form of the Continuing Disclosure Undertaking

shall be amended and modified as necessary to comply with any rules or regulations promulgated by the United States Securities and Exchange Commission. The execution of the Continuing Disclosure Undertaking shall constitute conclusive evidence of the approval by the State Treasurer of any and all modifications and amendments thereto.

Section 10.09 Law and Place of Enforcement of the Resolution.

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

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

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

Section 10.11 Repeal of Inconsistent Resolutions.

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

Section 10.12 Effectiveness of this Resolution.

This Resolution shall become effective upon its adoption.

[End of Article X]

EXHIBIT A

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

Fiscal Year Ending	Existing Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2025	\$ 16,020,000	\$ 10,550,513	\$ 26,570,513
June 30, 2026	16,820,000	9,749,513	26,569,513
June 30, 2027	17,650,000	8,926,063	26,576,063
June 30, 2028	18,420,000	8,148,213	26,568,213
June 30, 2029	19,215,000	7,353,413	26,568,413
June 30, 2030	19,485,000	6,780,325	26,265,325
June 30, 2031	19,835,000	5,925,625	25,760,625
June 30, 2032	15,660,000	5,148,269	20,808,269
June 30, 2033	16,080,000	4,580,794	20,660,794
June 30, 2034	16,525,000	3,991,481	20,516,481
June 30, 2035	14,600,000	3,379,069	17,979,069
June 30, 2036	14,995,000	2,829,700	17,824,700
June 30, 2037	11,750,000	2,258,450	14,008,450
June 30, 2038	7,070,000	1,787,250	8,857,250
June 30, 2039	7,405,000	1,450,450	8,855,450
June 30, 2040	7,350,000	1,097,400	8,447,400
June 30, 2041	7,215,000	739,500	7,954,500
June 30, 2042	7,575,000	378,750	7,953,750
Total	<u>\$ 253,670,000</u>	<u>\$ 85,074,775</u>	<u>\$ 338,744,775</u>

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

	<u>In-State</u>	<u>Out-of-State</u>
Undergraduate		
Full-Time ¹	\$860	\$4,083
Matriculation ¹	5	5
Part-Time ²	77	359
Matriculation ¹	5	5
Graduate		
Full-Time ¹	820	2,045
Matriculation ¹	5	5
Part-Time ²	73	180
Matriculation ¹	5	5
Graduate Assistant ¹	10	10
Matriculation ¹	5	5

¹ Per Semester.

² Per Credit Hour.

For the fiscal year ended June 30, 2024, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$87,981,180. The tuition and fees generated for the 2024 summer term are not included.

The maximum principal and interest debt service payment prior to the issuance contemplated herein is \$26,576,063, which occurs in the fiscal year ending June 30, 2027.

The maximum principal and interest debt service payment after the issuance contemplated herein is anticipated to be \$30,268,007*, which is anticipated to occur in the fiscal year ending June 30, 2027.

* Preliminary, subject to change.

CLEMSON UNIVERSITY
 PRO-FORMA DEBT SERVICE REQUIREMENTS OF
 NOT EXCEEDING \$51,000,000 STATE OF SOUTH CAROLINA
 GENERAL OBLIGATION STATE INSTITUTION BONDS,
 COMPUTED AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2025	\$ 1,135,000	\$ 1,058,592	\$ 2,193,592
June 30, 2026	1,950,000	1,744,149	3,694,149
June 30, 2027	2,010,000	1,681,944	3,691,944
June 30, 2028	2,070,000	1,620,237	3,690,237
June 30, 2029	2,135,000	1,557,102	3,692,102
June 30, 2030	2,200,000	1,492,839	3,692,839
June 30, 2031	2,265,000	1,426,839	3,691,839
June 30, 2032	2,335,000	1,358,662	3,693,662
June 30, 2033	2,405,000	1,288,379	3,693,379
June 30, 2034	2,475,000	1,215,988	3,690,988
June 30, 2035	2,550,000	1,141,243	3,691,243
June 30, 2036	2,630,000	1,059,898	3,689,898
June 30, 2037	2,720,000	971,530	3,691,530
June 30, 2038	2,815,000	876,330	3,691,330
June 30, 2039	2,920,000	774,146	3,694,146
June 30, 2040	3,025,000	664,938	3,689,938
June 30, 2041	3,145,000	547,870	3,692,870
June 30, 2042	3,270,000	422,385	3,692,385
June 30, 2043	3,400,000	289,296	3,689,296
June 30, 2044	3,545,000	148,536	3,693,536
Total	<u>\$ 51,000,000</u>	<u>\$ 21,340,899</u>	<u>\$ 72,340,899</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 CLEMSON UNIVERSITY
INCLUDING THE PROPOSED ISSUE OF
FIFTY-ONE MILLION DOLLARS (\$51,000,000)
OF GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	Combined Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2025	\$ 17,155,000	\$ 11,609,105	\$ 28,764,105
June 30, 2026	18,770,000	11,493,662	30,263,662
June 30, 2027	19,660,000	10,608,007	30,268,007
June 30, 2028	20,490,000	9,768,450	30,258,450
June 30, 2029	21,350,000	8,910,515	30,260,515
June 30, 2030	21,685,000	8,273,164	29,958,164
June 30, 2031	22,100,000	7,352,464	29,452,464
June 30, 2032	17,995,000	6,506,931	24,501,931
June 30, 2033	18,485,000	5,869,172	24,354,172
June 30, 2034	19,000,000	5,207,469	24,207,469
June 30, 2035	17,150,000	4,520,312	21,670,312
June 30, 2036	17,625,000	3,889,598	21,514,598
June 30, 2037	14,470,000	3,229,980	17,699,980
June 30, 2038	9,885,000	2,663,580	12,548,580
June 30, 2039	10,325,000	2,224,596	12,549,596
June 30, 2040	10,375,000	1,762,338	12,137,338
June 30, 2041	10,360,000	1,287,370	11,647,370
June 30, 2042	10,845,000	801,135	11,646,135
June 30, 2043	3,400,000	289,296	3,689,296
June 30, 2044	3,545,000	148,536	3,693,536
Total	<u>\$ 304,670,000</u>	<u>\$ 106,415,674</u>	<u>\$ 411,085,674</u>

* Preliminary, subject to change.

CLEMSON UNIVERSITY
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, 2024	\$ 87,981,180
Multiplied by	90%
Produces	\$ 79,183,062
Maximum annual debt service on all State Institution Bonds of the University (including the proposed issue of not exceeding Fifty-One Million Dollars (\$51,000,000) General Obligation State Institution Bonds issued on behalf of the University)	\$ 30,268,007*
	<hr/>
Margin	\$ 48,915,056

* Preliminary, subject to change.

(FORM OF BOND)
(FACE OF BOND)

UNITED STATES OF AMERICA
GENERAL OBLIGATION STATE INSTITUTION BOND
(ISSUED ON BEHALF OF CLEMSON UNIVERSITY), SERIES 20__
OF THE STATE OF SOUTH CAROLINA

No. R-1

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

Registered Holder: CEDE & CO.

Principal Amount: _____ DOLLARS (\$ _____)

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

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

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

Interest on the Bonds is payable on ___ 1 and ___ 1 of each year (the "Bond Payment Dates") beginning ___ 1, 20__. The interest payable on any Bond Payment Date for any Bond shall be paid to the

person in whose name the Bond is registered at the close of business on the 15th day next preceding such Bond Payment Date.

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

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

This Bond is one of an issue of Bonds in the aggregate principal amount of _____ million dollars (\$____,____,000) of like tenor, except as to registered owner, numbering, rate of interest, redemption provisions, and date of maturity, issued pursuant to and in accordance with the Constitution and statutes of the State of South Carolina, including, particularly the provisions of Chapter 107, Title 59 of the Code of Laws of South Carolina 1976, as amended, as supplemented by Sections 11-27-30 and 11-29-30 of the Code of Laws of South Carolina 1976, as amended, and a resolution (the "Resolution") duly adopted by the South Carolina State Fiscal Accountability Authority on _____, 20__.

[Insert Redemption Provisions]

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

For the payment of the principal of and interest on this Bond as the same respectively matures, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged.

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

This Bond is issuable only as a fully registered Bond without coupons in denominations of \$1,000 and any whole multiple of \$1,000. This Bond is transferable, as provided in the Resolution, only upon the registration books kept for that purpose at the Corporate Trust Office of the Registrar by the Registered Holder in person or by his duly authorized attorney, upon (i) surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his duly authorized attorney; and (ii) payment of the charges, if any, prescribed in the Resolution. Thereupon a new fully registered Bond or Bonds of like series designation, maturity and interest rate, and in a like aggregate principal amount will be issued to the transferee in exchange therefor as provided in the Resolution. The State, the Paying Agent and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

The State shall not be obligated to issue, exchange or transfer this Bond during the 15 days next preceding any Bond Payment Date. For every exchange or transfer of the Bonds, the State, the Paying

Agent, or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

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

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

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

THE STATE OF SOUTH CAROLINA

SEAL

Henry D. McMaster
Governor

Curtis M. Loftis, Jr.
State Treasurer

Attest:

Mark Hammond
Secretary of State

CERTIFICATE OF AUTHENTICATION

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

[REGISTRAR], as Registrar

By: _____
Authorized Signatory

Date: _____, 20__

(FORM OF ASSIGNMENT)

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

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

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

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

Signature Guaranteed:

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

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

TEN COM --	as tenants in common	UNIF GIFT MIN ACT _____	Custodian _____
TEN ENT --	as tenants by the entireties	(Cust)	(Minor)
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	Under Uniform Gift to Minors Act of the State of _____	

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

(FORM OF OFFICIAL NOTICE OF SALE)

OFFICIAL NOTICE OF SALE

\$ _____*
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF CLEMSON UNIVERSITY)
SERIES _____

(BOOK-ENTRY-ONLY)

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

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 Principal Amount* _____ 1 Principal Amount*

* 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) _____, Office of State Treasurer, 122 Wade Hampton Office Building, Columbia, South Carolina 29201 (telephone: (803) 734-____; email: _____@sto.sc.gov); or (iii) Samuel W. Howell IV, Disclosure Counsel, Howell Linkous & Nettles, LLC, The Lining House, 106 Broad Street, Charleston, South Carolina, 29401 (telephone: (843) 266-3801; email: samhowell@bond-law.com).

Henry D. McMaster, Governor of South Carolina

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

Dated _____, 20__

FORM OF ISSUE PRICE CERTIFICATE FOR
QUALIFIED COMPETITIVE BID

ISSUE PRICE CERTIFICATE

\$ _____*
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF CLEMSON UNIVERSITY),
SERIES 20 ____

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

1. Reasonably Expected Initial Offering Price.

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

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

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

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

2. Defined Terms.

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

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

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

* Subject to adjustment as set forth herein.

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

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

Signed this ____ day of _____, ____.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Offering Prices

Schedule B

Copy of Winning Bid

FORM OF ISSUE PRICE CERTIFICATE FOR
NONQUALIFIED COMPETITIVE BID

ISSUE PRICE CERTIFICATE

\$ _____*
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF CLEMSON UNIVERSITY),
SERIES 20 ____

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

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

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

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

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

3. ***Defined Terms.***

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

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

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

* Subject to adjustment as set forth herein.

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

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

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

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

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, _____, 20__.

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

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

Signed this ____ day of _____, 20__.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Initial Offering Prices of the Bonds

Schedule B

Copy of Winning Bid

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered this ___ day of _____, 20___, by the State of South Carolina (the “State”) in connection with the issuance of the State’s \$_____ General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 20___ (the “Bonds”).

The Bonds are being issued pursuant to a resolution adopted on _____, 20___ (the “Resolution”), by the State Fiscal Accountability Authority authorizing the issuance of the Bonds. The State covenants and agrees as follows:

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

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

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

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

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

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

“Financial Obligation” as used in this Disclosure Undertaking is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) 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

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

Issuer: The State of South Carolina

Obligations: \$_____ General Obligation State Institution Bonds (Issued on Behalf of
Clemson University), Series 20__

Date of Issuance: _____, 20__

CUSIP: _____

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

THE STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____



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 Clemson University), 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 Clemson University), 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 August 27, 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 Clemson University 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 Clemson University 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 Clemson University, 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

AGENCY: Executive Director

SUBJECT: Revenue Bonds (State Housing Finance and Development Authority)

The required reviews on the following proposals to issue revenue bonds has been completed with satisfactory results. The projects require approval under State law.

- a. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: N/E \$26,000,000 Multifamily Housing Revenue Bonds
Allocation Needed: \$26,000,000 of ceiling allocation carryforward will be used
Name of Project: Avery Landing
Employment Impact: n/a
Project Description: finance the acquisition, construction and equipping of a 153-unit apartment development located in Greenville County, South Carolina, to be known as Avery Landing.
Bond Counsel: Emily Zackon, Parker Poe Adams & Bernstein LLP
Note: Pursuant to the Rankings, the Authority may issue tax-exempt Bonds in an amount not to exceed \$24,910,341.59 for the Project and will utilize State Housing's carryforward allocation of State ceiling. The remaining \$1,089,658.41 in Bonds may be issued, if necessary, on a taxable basis and will not require an allocation of State ceiling.

- b. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: N/E \$17,000,000 Multifamily Housing Revenue Bonds
Allocation Needed: \$17,000,000 of ceiling allocation carryforward will be used
Name of Project: Lowline Housing
Employment Impact: n/a
Project Description: finance the acquisition, construction and equipping of a 55-unit multifamily development located in the City of Charleston, Charleston County, South Carolina, to be known as Lowline Housing.
Bond Counsel: Emily Zackon, Parker Poe Adams & Bernstein LLP

- c. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: N/E \$11,000,000 Multifamily Housing Revenue Bonds
Allocation Needed: \$11,000,000 of ceiling allocation carryforward will be used
Name of Project: Poplar Square
Employment Impact: n/a
Project Description: finance the acquisition, rehabilitation and equipping of a 100-unit multifamily development located in the City of Sumter, Sumter County, South Carolina, to be known as Poplar Square.
Bond Counsel: Emily Zackon, Parker Poe Adams & Bernstein LLP
Note: Pursuant to the Rankings, the Authority may issue tax-exempt Bonds in an amount not to exceed \$9,800,000 for the Project and will utilize State Housing's carryforward allocation of

AGENCY: Executive Director

SUBJECT: Revenue Bonds (State Housing Finance and Development Authority)

State ceiling. The remaining \$1,200,000 in Bonds may be issued, if necessary, on a taxable basis and will not require an allocation of State ceiling.

Projects (a) and (c) above have been scored and ranked in accordance with the 2024 South Carolina State Ceiling Allocation Plan.

Project (b) was exempt from the scoring and ranking procedure pursuant to Section S of the 2024 South Carolina State Ceiling Allocation Plan.

AUTHORITY ACTION REQUESTED:

Adopt the resolutions approving the referenced proposals to issue revenue bonds for the State Housing Finance and Development Authority.

ATTACHMENTS:

Resolutions
State Housing Authority Memorandum and Scoring dated August 13, 2024



SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY
300-C Outlet Pointe Boulevard Columbia, South Carolina 29210 P: 803.896.9001 SCHousing.com

M E M O R A N D U M

Date: August 13, 2024

To: Grant Gillespie, Executive Director
State Fiscal Accountability Authority

From: Richard Hutto, Executive Director
SC Housing

Subject: Multifamily Tax Exempt Bond rankings for 2023 Qualified Allocation Plan

Pursuant to the requirements of the 2024 South Carolina State Ceiling Allocation Plan, attached please find the required report from SC Housing identifying the rankings and scores for the recently preliminarily approved Tax Exempt Bond (TEB) projects submitted pursuant to the 2023 Qualified Allocation Plan (QAP). Poplar Square and Avery Landing, which are included on the attached list, have received preliminary approval from the South Carolina Housing Board's Bond Committee and are being submitted to the Authority in August 2024 for consideration of tax exempt bond issuance. The remaining 6 projects are anticipated to be submitted for issuance approval at a later meeting of the Authority. However, the 2 pending approval at the August 2024 meeting indicated to SC Housing their ability to proceed immediately upon the preliminary approvals being published.

For projects seeking an allocation of state ceiling or carryforward for a multifamily project intending to utilize 4% federal low-income housing tax credits (herein referenced as QAP TEB projects), SC Housing requires certain threshold criteria as detailed in the applicable QAP.

This threshold criteria includes items such as financial feasibility, minimum applicant experience, site control, financial capacity of the applicant, and readiness to proceed (i.e., without limitation, establishment of the bond working group, existence of letters of interest or letters of intent from lenders, syndicators, and other parties). Additionally, SC Housing requires projects to meet the requirements outlined in SC Housing's Multifamily Tax-Exempt Bond Finance Program manual.

Projects meeting the threshold criteria described above are ranked for state ceiling utilizing the following criteria that evidence the highest value and greatest public benefit as required by Act 202 of 2022 and the State Ceiling Allocation Plan. The following criteria are considered during the preliminary approval process:

- State resources per heated residential square foot
 - o This criterion ranks projects from lowest to highest, based on a calculation of state

resources (bond ceiling and state tax credit) per heated residential square foot (excluding common areas), to demonstrate the most efficient use of state resources for the portion of total project costs applicable to actual tenant housing.

- State resources per bedroom
 - o This criterion ranks projects from lowest to highest, based on a calculation of state resources per bedroom, to demonstrate the most efficient use of state resources for the number of families the project will house.
- State resources per dollar of total project costs
 - o This criterion ranks projects from lowest to highest, based on a calculation of state resources to total project costs to demonstrate the most efficient investment of state resources in the project overall.
- State resources per potential tenant
 - o This criterion will rank projects from lowest to highest, based on a calculation of state resources per potential tenant to demonstrate the most efficient use of state resources for the number of potential residents the project will house.

A 30% adjustment to state resources is made as a ranking consideration for projects located in USDA designated rural areas. A 10% adjustment to state resources will be made for new construction units, as a ranking consideration for projects providing an overall increase in affordable housing. These adjustments apply for the sole purpose of establishing project rankings.

During the 2023 QAP TEB preliminary approval process, SC Housing received 33 applications for affordable housing projects.¹ Of those applications, 4 were disqualified at the preliminary review, and another 21 applications were disqualified because they did not meet the threshold underwriting criteria related to financial feasibility. The remaining 8 applications were scored and ranked as reflected on the attached ranking sheet. Given the advertised state ceiling of approximately \$120,000,000 made available for allocation in this round, a total of 8 preliminary approvals were made totaling just over \$124,330,000 in combined ceiling allocation, and \$7,984,400 in associated annual state tax credits. Those 8 projects received their notification of final ranking on June 11, 2024, by way of a public notice on SC Housing's website and direct email communication.

For purposes of the preliminary approvals contemplated for all 2023 QAP projects, to include Avery Landing and Poplar Square, the following deadlines have been established:

- July 11, 2024, or September 4, 2024 – Preliminary Resolution brought before the SC Housing Bond Committee Meeting. SC Housing forwards the 42M Letter and the STC Preliminary Determination Letter thereafter.
- August 27, 2024, or February 2025 – Approval sought from SFAA. Members from the development team and bond counsel will need to be in attendance.
- September 18, 2024, or April 2025 – Final Resolution drafts submitted to SC Housing.

¹ SC Housing solicited applications pursuant to the 2023 QAP between October 2023 and December 2023. Following meticulous review, SC Housing publicized preliminary approval of the 2023 QAP TEB applicants in June 2024. SC Housing has announced that it will accept applications pursuant to the 2024 QAP beginning on or around October 25, 2024.

- October 3, 2024, or May 2025– Recommendation sought from SC Housing Commission’s Bond Committee to receive Final Resolution from SC Housing Board. Members from the development team and bond counsel will need to be in attendance.
- October 16, 2024, or May 2025 – Request Final Resolution from SC Housing Board. Members from the development team and bond counsel will need to be in attendance.
- May 2025, or November 2025 - Bond Closing must be complete.

A.

State Housing Finance and Development
Authority

Avery Landing



OFFICE OF STATE TREASURER

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

SFAA Approval Date: 08/27/24

1. ISSUER & FINANCING INFORMATION

Issuer: SC State Housing Finance and Development Authority Series: 2024
 Borrower (if not Issuer): Greenville Leased Housing Associates, LLLP
 Bond Caption: 2024
 Bond Resolution Amount: \$ 26,000,000 Est. Production/Par Amt: \$ 24,910,342

Submitted By:	Transaction Type/Method of Sale:
ENTITY: <u>Greenville Leased Housing Associates, LLLP</u>	Public Offering: Comp: <u> </u> Neg: <u>X</u>
BY: <u>Parker Poe Adams & Bernstein LLP</u>	Direct Placement: Comp: <u> </u> Neg: <u> </u>
ITS: <u>Bond Counsel</u>	Govt Loan/Purchaser: <u> </u>
Tel: <u>803-253-6867</u>	Other: <u> </u>
Email: <u>emilyzackon@parkerpoe.com</u>	

2. FINANCING (NEW PORTION)

Project Name: Avery Landing
 Project Address/Location: 6615 Augusta Road, Greenville, SC 29605
 Project Type: Multifamily Housing
 Projected Avg Interest Rate: TBD
 Number of Units: 153
 Projected Cost per Unit: \$ 346,239

Amount: \$ -
 County: Greenville
 Final Maturity: Estimated 1/1/2045
 SC SHA LTR TC (1-YR): \$ 1,383,910
 SC SHA LTR TC (10-YR): \$ 13,839,099
 LIHTC/SCTC (SYND): \$ \$21,112,329 / \$10,740,600

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: <u>N/A</u>	Disclosure Counsel: <u>TBD</u>
Bond Counsel: <u>Parker Poe Adams & Bernstein I</u>	Issuer's Counsel: <u>LeeAnn Watson (General Couns</u>
Underwriter: <u>Colliers</u>	Trustee: <u>TBD</u>
Paying Agent: <u>TBD</u>	Other: <u>N/A</u>

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 (Avery Landing Project), in the aggregate principal amount of not exceeding \$26,000,000, taxable or tax-exempt, for the purpose of funding a mortgage loan to Greenville Leased Housing Associates, LLLP, a Minnesota limited partnership (the “Sponsor”), to provide a portion of the financing needed for the acquisition, construction and equipping of an approximately 153-unit multifamily affordable housing development located in Greenville County, South Carolina, known as Avery Landing (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 \$26MM, taxable or tax-exempt, in bonds or notes which would utilize up to \$24,910,341.59 in SC Housing Multifamily ceiling allocation carryforward.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Authority Approval: <u>07/11/24</u>	<u>Preliminary Resolution</u>
JBRC Approval: <u>00/00/00</u>	<u>N/A</u>
SFAA Approval: <u>08/27/24</u>	<u>Proposed</u>

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

Yes No

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

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 (b) Premium/Accr. Int.	\$ 24,910,342	\$ -
(2) Issuer/Borrower Contr.	-	-
(3) Debt Service Fund Trans.	-	-
(4) Debt Service Reserve Fund Contribution	-	-
(5) Other MFHRB Sources		
(a) LIHTC	-	21,112,329
(a) State Housing TC	-	10,740,600
(c) Owner's Equity/Other	-	1,491,640
(d) Mortgage Loan (BTO)	22,300,438	19,630,000
Total Project Sources	\$ 47,210,779	\$ 52,974,569
Surplus/Deficit		\$ 0

Project Budget (Uses)	Uses
\$ 34,722,685	Project Fund
5,166,037	Capitalized Interest Fund
-	Debt Service Reserve Fund
-	Redemption Price/Escrow Deposit
687,431	Cost of Issuance (Incl. UW Disc.)
1,474,080	Other (Contingency)
3,825,000	Developer Fee
929,484	Reserves
3,502,500	Acquisition
587,132	Permanent Financing Fees and Cost
2,080,220	Third party reports/soft costs
\$ 52,974,569	Total Project Uses

9. TOTAL ESTIMATED BOND COI EXPENDITURES

COI Description	Cost Of Issuance Vendor Name	Est. Fee For Services
Financial Advisor		\$ -
Bond Counsel		75,000
Disclosure Counsel		60,000
Issuer's Counsel		-
Underwriter's Counsel		45,000
Transaction Counsel		30,000
Legal Expenses		2,431
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		250,000
Registrar / Paying Agent		-
Trustee Fee		20,000
Verification Agent		-
Printing/Publishing/Advertising		2,500
Other		-
Issuer's Fee	Authority Fees	195,000
		\$ 687,431

Est. COI Fees (% of Production):

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

0.00%
0.30%
0.85%
0.03%

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

1.00%
0.87%
2.76%



Emily W. Zackon

Associate

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f: 803.255.8017

emilyzackon@parkerpoe.com

Atlanta, GA
Charleston, SC
Charlotte, NC
Columbia, SC
Greenville, SC
Raleigh, NC
Spartanburg, SC
Washington, DC

August 20, 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: Avery Landing
SC State Housing - Request for Approval of Issuance of
Multifamily Housing Revenue Bonds or Notes***

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 August 27, 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 Avery Landing (“**Project**”). In addition to the proceeds of the Bonds, the balance of the cost of the Project is expected to be financed through the syndication of both federal and state low income tax credits. The Project will consist of approximately 153 units, all of which will be reserved for qualifying low-income tenants. The units are comprised of a mix of 1BR units (18), 3BR units (72) and 4BR units (63).

Approvals by State Housing

Pursuant to the Plan, State Housing published its 2024 tax-exempt bond rankings using the competitive criteria (“**Rankings**”), which included the Project as the second ranked project. On July 11, 2024, State Housing adopted a preliminary bond resolution (“**Resolution**”), which provided preliminary approval of the issuance of Bonds in an amount not to exceed \$26,000,000, taxable or tax-exempt. Pursuant to the Rankings, the Authority may issue tax-exempt Bonds in an amount not to exceed \$24,910,341.59 for the Project and will utilize State Housing’s carryforward allocation of State ceiling. The remaining \$1,089,658.41 in Bonds may be issued, if necessary, on a taxable basis and will not require an allocation of State ceiling.

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. The Project was listed as the second ranked project in the Rankings.
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 Resolution.

Documents Provided

In support of this request, and in compliance with the Plan and the Act, 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 August 27, 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 Forms.

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 of Laws of South Carolina 1976, as amended, 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: 8/20/2024

Submitted for SFAA Meeting on:
8/27/2024

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 Avery Landing

Project Issue Date: 11/20/2024

Project Name: Avery Landing Project

Project Description: Avery Landing is a new construction multifamily affordable housing development located in Greenville County, South Carolina. The Project will consist of approximately 153 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"/>	\$ \$24,910,341.59 (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.)

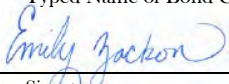
- A. Petition
- B. Resolution or Ordinance
- C. Inducement Resolution or comparable preliminary approval
- D. Department of Health and Environmental Control Certificate *if required*
- E. State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus _____ copies for certification 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

)

)

PETITION

TO THE STATE FISCAL ACCOUNTABILITY
AUTHORITY OF SOUTH CAROLINA

)

)

)

)

AVERY LANDING
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. Greenville Leased Housing Associates I, LLLP (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 (Avery Landing Project) Series 2024 ("**Bonds**"), in the aggregate principal amount of not exceeding \$26,000,000, tax-exempt and taxable, for the acquisition, construction and equipping of an approximately 153-unit multifamily development located in Greenville County, South Carolina, to be known as Avery Landing (the "**Project**").

3. The Authority has preliminarily approved the issuance of the Bonds pursuant to a resolution adopted on July 11, 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.

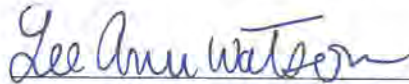
5. The net interest rate to be borne by the Bonds has not been determined. The interest rate will not exceed the limitations or contravene the conditions described in the Act.

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

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, construction 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**

A handwritten signature in blue ink that reads "Lee Ann Watson". The signature is written in a cursive style and is positioned above a horizontal line.

Lee Ann Watson
General Counsel

July 11, 2024

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS OR NOTES (AVERY LANDING 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, Greenville Leased Housing Associates I, LLLP, a limited liability limited partnership duly organized under the laws of the State of Minnesota (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 (Avery Landing Project) Series 2024, in the aggregate principal amount of not exceeding \$26,000,000, tax-exempt and taxable, for the purpose of making a loan (the “*Mortgage Loan*”) to the Sponsor for the acquisition, construction and equipping of an approximately 153-unit apartment development located in Greenville County, South Carolina, to be known as Avery Landing (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 (Avery Landing Project) Series 2024” (with any appropriate series or subseries designations) in the aggregate principal amount of not exceeding \$26,000,000, on a tax-exempt and taxable basis (the “*Bonds*”). Pursuant to the final tax-exempt bond rankings published by the Authority, the Authority may issue tax-exempt Bonds in an amount not to exceed \$24,910,341.59 for the Project and will utilize the Authority’s carryforward

allocation of State ceiling. The remaining \$1,089,658.41 in Bonds may be issued, if necessary, on a taxable basis and will not require an allocation of State ceiling.

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 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.

Section 13. Reimbursement. It is the intention of the Authority that this resolution shall constitute an official action on the part of the Authority within the meaning of the applicable regulations of the Department of Treasury of the United States of America relating to the issuance of tax-exempt revenue bonds and the Authority hereby declares its official intent under section 1.150-2 of the Treasury Regulations, based on information provided by the Sponsor, for proceeds of the Bonds to be used to reimburse expenditures paid by the Authority or the Sponsor for the Project prior to the issue date of the Bonds. The maximum principal amount of the Bonds is set forth above.

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

I, the undersigned Secretary to 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 11th day of July 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 11th day of July 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 (AVERY LANDING 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 (“SC Code”), 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, Greenville Leased Housing Associates I, LLLP, a Minnesota limited liability 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 153 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 (Avery Landing Project) Series 2024 in an aggregate principal amount of not exceeding \$26,000,000, taxable or tax-exempt (the “Bonds”); and

WHEREAS, the Authority has presented to the SFAA its Petition dated as of July 11, 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 (Avery Landing Project) Series 2024, or such other designation as the Board of Commissioners of the Authority may determine, in the principal amount of not exceeding \$26,000,000, taxable or tax-exempt. Pursuant to the final tax-exempt bond rankings published by the Authority, the Authority may issue tax-

exempt Bonds in an amount not to exceed \$24,910,341.59 for the Project and will utilize the Authority's carryforward allocation of State ceiling. The remaining not to exceed \$1,089,658.41 in Bonds may be issued, if necessary, on a taxable basis and will not require an allocation of State ceiling.

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 31-13-220 of the SC Code, 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

August 20, 2024

State Fiscal Accountability Authority
Columbia, South Carolina

South Carolina Attorney General
Columbia, South Carolina

Re: *Not Exceeding \$26,000,000*
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds or Notes (Avery Landing 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 \$26,000,000 South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds or Notes (Avery Landing Project), tax-exempt or taxable ("**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 Avery Landing. The Bonds are expected to be issued pursuant to the terms of a 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 Greenville Leased Housing Associates I, LLLP ("**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 July 11, 2024, a Petition of the Issuer to the SFAA requesting that the SFAA approve the issuance of the Bonds, and 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 the 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 \$26,000,000 Multifamily Housing Revenue Bonds or Notes (Avery Landing Project) Series 2024, in one or more series, tax-exempt or taxable (“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 Greenville Leased Housing Associates I, LLLP, a Minnesota limited liability limited partnership (“Borrower”), to (i) finance the costs of acquiring, constructing and equipping an approximately 153-unit multifamily housing development to be known as Avery Landing 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 October 16, 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

CERTIFICATE OF THE ALLOCATING AGENCY

AVERY LANDING/ GREENVILLE LEASED HOUSING ASSOCIATES I, LLLP

I, the undersigned, Robert MacDonald, the duly qualified Chief of Staff at the South Carolina State Housing Finance and Development Authority (the "Authority") DO HEREBY CERTIFY that:

As provided in the 2023 South Carolina Qualified Allocation Plan (the "2023 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 Avery Landing (the "Project") be carried out in the manner described in the Project's application, the Project will be a project described by the 2023 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 2023 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 18th day of July, 2024.

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

By: Robert MacDonald
Robert MacDonald, Chief of Staff



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

July 12, 2024

RE: Preliminary Determination of State Tax Credit
Avery Landing - #52311

Dear Ms. Archer:

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 \$2,065,500.00, and a total allocation amount for the ten-year credit period not to exceed \$20,655,000.00. 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.

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

B.

State Housing Finance and Development
Authority

Lowline Housing



OFFICE OF STATE TREASURER

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

SFAA Approval Date: 08/27/24

1. ISSUER & FINANCING INFORMATION

Issuer: SC State Housing Finance and Development Authority Series: 2024
 Borrower (if not Issuer): Lowline Housing LP
 Bond Caption: 2024
 Bond Resolution Amount: \$ 17,000,000 Est. Production/Par Amt: \$ 17,000,000

Submitted By:
 ENTITY: Lowline Housing 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: Lowline Housing
 Project Address/Location: 678 King Street, Charleston, South Carolina 29403 Amount: \$ -
 Project Type: Multifamily Housing County: Charleston
 Projected Avg Interest Rate: TBD Final Maturity: Estimated 1/1/2065
 Number of Units: 55
 Projected Cost per Unit: \$ 630,892
 SC SHA LTR TC (1-YR): \$ 1,443,750
 SC SHA LTR TC (10-YR): \$ 14,437,500
 LIHTC/SCTC (SYND): 15,170,000/7,363,000

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 I Issuer's Counsel: LeeAnn Watson (General Couns
 Underwriter: N/A 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 (Lowline Housing Project), in the aggregate principal amount of not exceeding \$17,000,000 for the purpose of funding a mortgage loan to Lowline Housing 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 55-unit multifamily affordable housing development located in Charleston County, South Carolina, known as Lowline Housing (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 \$17,000,000 in bonds or notes which would utilize up to \$17,000,000 in SC Housing Multifamily ceiling allocation carryforward.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Authority Approval: 02/28/24	Preliminary Resolution
JBRC Approval: 00/00/00	N/A
SFAA Approval: 08/27/24	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
\$ 5,055,973	6/30/2025	Closing, Acquisition, Site
11,944,027	12/31/2027	Construction
\$ 17,000,000		

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	\$ 17,000,000	-
(b) Premium/Accr. Int.	-	-
(2) Issuer/Borrower Contr.	-	-
(3) Debt Service Fund Trans.	-	-
(4) Debt Service Reserve Fund Contribution	-	-
(5) Other MFHRB Sources		
(a) LIHTC	9,102,000	15,170,000
(a) State Housing TC	4,414,800	7,363,000
(c) Owner's Equity/Other	2,602,557	10,586,357
(d) Mortgage Loan (BTO)	1,579,684	1,579,684
Total Project Sources	\$ 34,699,041	\$ 34,699,041
Surplus/Deficit		\$ 0

Project Budget (Uses)	Uses
\$ 25,779,783	Project Fund
1,571,456	Capitalized Interest Fund
-	Debt Service Reserve Fund
-	Redemption Price/Escrow Deposit
570,526	Cost of Issuance (Incl. UW Disc.)
1,255,430	Other (Contingency)
3,000,000	Developer Fee
453,115	Reserves
-	Acquisition
234,574	Permanent Financing Fees and Cost
1,834,157	Third party reports/soft costs
\$ 34,699,041	Total Project Uses

9. TOTAL ESTIMATED BOND COI EXPENDITURES

COI Description	Cost Of Issuance Vendor Name	Est. Fee For Services
Financial Advisor		\$ -
Bond Counsel		75,000
Disclosure Counsel		50,000
Issuer's Counsel		-
Underwriter's Counsel		50,000
Transaction Counsel		40,000
Legal Expenses		10,000
Rating Agency - S&P	S&P Global Ratings	
Rating Agency - Moody's	Moody's Investor Service, Inc.	
Rating Agency - Fitch	Fitch Ratings, Inc.	
Underwriter's Compensation		183,158
Registrar / Paying Agent		-
Trustee Fee		20,000
Verification Agent		-
Printing/Publishing/Advertising		5,000
Other (Tax Credit Reservation Fees)		-
Issuer's Fee	Authority Fees	137,368
		\$ 570,526

Est. COI Fees (% of Production):

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

0.00%
0.44%
1.32%
0.00%

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

1.08%
0.96%
3.36%



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

August 20, 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: *Lowline Housing
SC State Housing - Request for Approval of Issuance of Multifamily Housing Revenue
Bonds or Notes***

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 August 27, 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 Charleston County, South Carolina (“**County**”) to be known as Lowline Housing (“**Project**”). In addition to the proceeds of the Bonds, the balance of the cost of the Project is expected to be financed through the syndication of both federal and state low income tax credits. The Project will consist of approximately 55 units, all of which will be reserved for qualifying low-income tenants. The units are comprised of a mix of 1BR units (31), 2BR units (16) and 3BR units (8).

Approvals by State Housing

The Project was submitted to State Housing during the application round that closed on February 12, 2021. State Housing preliminarily approved the Project in May of 2021, and subsequently extended such approval on July 14, 2022. Furthermore, State Housing agreed to provide the project with additional funding pursuant to Act 88 of 2023, which was approved by the South Carolina Joint Bond Review Committee on March 22, 2023 and August 22, 2023. State Housing has tentatively allocated \$17,000,000 of its carry-forward volume cap available to the Project and provided preliminary authorization on February 28, 2024, for the issuance of the Bonds in an amount not to exceed \$17,000,000 (“**Resolution**”).

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 Charleston 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 the 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 August 27, 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 Forms.

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 of Laws of South Carolina 1976, as amended, 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: 8/20/2024

Submitted for SFAA Meeting on:
8/27/2024

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 Lowline Housing

Project Issue Date: 11/5/2024

Project Name: Lowline Housing Project

Project Description: Lowline Housing is a new construction multifamily affordable housing development located in Charleston, South Carolina. The Project will consist of approximately 55 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"/>	\$ 17,000,000 (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: Emily Jackson
Signature

SFAA 12/21/2020

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PETITION

TO THE STATE FISCAL ACCOUNTABILITY)
AUTHORITY OF SOUTH CAROLINA)

LOWLINE HOUSING)
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. Lowline Housing, 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 (Lowline Housing Project) Series 2024 (“*Bonds*”), in the aggregate principal amount of not exceeding \$17,000,000 for the acquisition, construction and equipping of an approximately 55-unit multifamily development located in the City of Charleston, Charleston County, South Carolina, to be known as Lowline Housing (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.

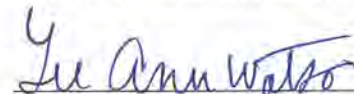
10. The Authority will produce any further information with respect to the Bonds required by the SFAA.

11. Based on information provided by the Sponsor to the Authority, the Authority represents that the Bonds in the amount of not exceeding \$17,000,000 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**



Lee Ann Watson
General Counsel

June 19, 2024

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$17,000,000 AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY HOUSING REVENUE BONDS OR NOTES (LOWLINE HOUSING 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, Lowline Housing, LP, a South Carolina limited partnership (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 (Lowline Housing Project) Series 2024, in the aggregate principal amount of not exceeding \$17,000,000 for the purpose of making a loan (the "*Mortgage Loan*") to the Sponsor for the acquisition, construction and equipping of an approximately 55-unit apartment development located in the City of Charleston, Charleston County, South Carolina, to be known as Lowline Housing (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 (Lowline Housing Project) Series 2024" (with any appropriate series or subseries designations) in the aggregate principal amount of not exceeding \$17,000,000 (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 Service, 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 28th day of March 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 28th 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 (LOWLINE HOUSING 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 (“SC Code”), 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, Lowline Housing, 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 55 units, located in Charleston, 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 (Lowline Housing Project) Series 2024 in an aggregate principal amount of not exceeding \$17,000,000 (the “Bonds”); and

WHEREAS, the Authority has presented to the SFAA its Petition dated as of June 19, 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 (Lowline Housing Project) Series 2024, or such other designation as the Board of Commissioners of the Authority may determine, in the principal amount of not exceeding \$17,000,000.

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 31-13-220 of the SC Code, 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

August 20, 2024

State Fiscal Accountability Authority
Columbia, South Carolina

South Carolina Attorney General
Columbia, South Carolina

Re: *Not Exceeding \$17,000,000*
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds or Notes (Lowline Housing 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 \$17,000,000 South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds or Notes (Lowline Housing 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 Charleston, South Carolina, to be known as the Lowline Housing. The Bonds are expected to be issued pursuant to the terms of a 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 Lowline Housing, 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 and 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 the 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 \$17,000,000 Multifamily Housing Revenue Bonds or Notes (Lowline Housing 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 Lowline Housing, LP, a South Carolina limited partnership (“Borrower”), to (i) finance the costs of acquiring, constructing and equipping an approximately 55-unit multifamily housing development to be known as Lowline Housing located in Charleston 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 September 18, 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 Charleston County.

STATE FISCAL ACCOUNTABILITY AUTHORITY
OF SOUTH CAROLINA
By: Delbert H. Singleton, Jr., Secretary

CERTIFICATE OF THE ALLOCATING AGENCY

LOWLINE HOUSING, LP

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 Lowline Housing, LP (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 28th day of February, 2024.

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

By: ROD
Richard Hutto, Executive Director



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

December 21, 2023

**RE: Preliminary Determination of State Tax Credit
Lowline Housing - 52108**

Dear Mr. Davis:

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 \$1,443,750.00, and a total allocation amount for the ten-year credit period not to exceed \$14,437,500.00. 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

C.

State Housing Finance and Development
Authority

Poplar Square



OFFICE OF STATE TREASURER

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

SFAA Approval Date:

08/27/24

1. ISSUER & FINANCING INFORMATION

Issuer: SC State Housing Finance and Development Authority Series: 2024
 Borrower (if not Issuer): DGA Poplar Square LP
 Bond Caption: SC State Housing Finance and Development Authority Multifamily Housing Revenue Bonds or Notes (Poplar Square Project) Series 2024
 Bond Resolution Amount: \$ 11,000,000 Est. Production/Par Amt: \$ 8,500,000

Submitted By:

ENTITY: DGA Poplar Square 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: Poplar Square Amount: \$ -
 Project Address/Location: 925 Miller Road, Sumter, South Carolina 29150 County: Sumter
 Project Type: Multifamily Housing Final Maturity: Estimated 1/1/2065
 Projected Avg Interest Rate: TBD SC SHA LTR TC (1-YR): \$ 750,000
 Number of Units: 100 SC SHA LTR TC (10-YR): \$ 7,500,000
 Projected Cost per Unit: \$ 206,717 LIHTC/SCTC (SYND): 7,215,535/4,197,892

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 I Issuer's Counsel: LeeAnn Watson (General Couns
 Underwriter: N/A 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 (Poplar Square Project), in the aggregate principal amount of not exceeding \$11,000,000, taxable or tax-exempt, for the purpose of funding a mortgage loan to Poplar Square LP, a Tennessee limited partnership (the "Sponsor"), to provide a portion of the financing needed for the acquisition, rehabilitation and equipping of an approximately 100-unit multifamily affordable housing development located in Sumter County, South Carolina, known as Poplar Square (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 \$11,000,000, taxable or tax-exempt, in bonds or notes which tax-exempt portion of the bonds would utilize up to \$9,800,000 in SC Housing Multifamily ceiling allocation carryforward.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:	
Authority Approval:	07/11/24	Preliminary Resolution
JBRC Approval:	00/00/00	N/A
SFAA Approval:	08/27/24	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
	6/30/2025	Closing, Acquisition
	12/31/2027	Rehabilitation
-		
\$ -		

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 (b) Premium/Accr. Int.	-	\$ 8,500,000
(2) Issuer/Borrower Contr.	-	-
(3) Debt Service Fund Trans.	-	-
(4) Debt Service Reserve Fund Contribution	-	-
(5) Other MFHRB Sources		
(a) LIHTC	-	7,215,535
(a) State Housing TC	-	4,197,892
(c) Owner's Equity/Other	-	758,303
(d) Mortgage Loan (BTO)	8,467,279	-
Total Project Sources	\$ 8,467,279	\$ 20,671,730
	Surplus/Deficit	\$ -

Project Budget (Uses)	Uses
\$ 7,369,884	Project Fund
1,032,906	Capitalized Interest Fund
-	Debt Service Reserve Fund
-	Redemption Price/Escrow Deposit
504,900	Cost of Issuance (Incl. UW Disc.)
640,341	Other (Contingency)
2,500,000	Developer Fee
566,109	Reserves
7,000,000	Acquisition
480,382	Permanent Financing Fees and Cost
577,208	Third party reports/soft costs
\$ 20,671,730	Total Project Uses

9. TOTAL ESTIMATED BOND COI EXPENDITURES

COI Description	Cost Of Issuance Vendor Name	Est. Fee For Services
Financial Advisor		\$ -
Bond Counsel		75,000
Disclosure Counsel		20,000
Issuer's Counsel		-
Underwriter's Counsel		60,000
Transaction Counsel		30,000
Legal Expenses		7,500
Rating Agency - S&P	S&P Global Ratings	
Rating Agency - Moody's	Moody's Investor Service, Inc.	
Rating Agency - Fitch	Fitch Ratings, Inc.	
Underwriter's Compensation		78,400
Registrar / Paying Agent		-
Trustee Fee		20,000
Verification Agent		-
Printing/Publishing/Advertising		2,500
Other (HUD Fees)		89,000
Issuer's Fee	Authority Fees	122,500
		\$ 504,900

Est. COI Fees (% of Production):

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

0.00%
0.88%
2.26%
0.00%

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

0.92%
2.75%
5.94%



Emily W. Zackon

Associate

t: 803.253.6867

f: 803.255.8017

emilyzackon@parkerpoe.com

Atlanta, GA
Charleston, SC
Charlotte, NC
Columbia, SC
Sumter, SC
Raleigh, NC
Spartanburg, SC
Washington, DC

August 20, 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: *Poplar Square
SC State Housing - Request for Approval of Issuance of
Multifamily Housing Revenue Bonds or Notes***

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 August 27, 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 acquiring and rehabilitating a multifamily affordable housing development located in Sumter County, South Carolina (“**County**”), to be known as Poplar Square (“**Project**”). In addition to the proceeds of the Bonds, the balance of the cost of the Project is expected to be financed through the syndication of both federal and state low income tax credits. The Project will consist of 100 units, all of which will be reserved for qualifying low-income tenants. The units are comprised of a mix of 1BR units (8), 2BR units (60) and 3BR units (32).

Approvals by State Housing

Pursuant to the Plan, State Housing published its 2024 tax-exempt bond rankings using the competitive criteria (“**Rankings**”), which included the Project as the first ranked project. On July 11, 2024, State Housing adopted a preliminary bond resolution (“**Resolution**”), which provided preliminary approval of the issuance of Bonds in an amount not to exceed \$11,000,000, taxable or tax-exempt. Pursuant to the Rankings, the Authority may issue tax-exempt Bonds in an amount not to exceed \$9,800,000 for the Project and will utilize State Housing’s carryforward allocation of State ceiling. The remaining \$1,200,000 in Bonds may be issued, if necessary, on a taxable basis and will not require an allocation of State ceiling.

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 Sumter 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. The Project was listed as the first ranked project in the Rankings.
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 Resolution.

Documents Provided

In support of this request, and in compliance with the Plan and the Act, 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 August 27, 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 Forms.

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 of Laws of South Carolina 1976, as amended, 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: 8/20/2024

Submitted for SFAA Meeting on:
8/27/2024

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 Poplar Square

Project Issue Date: 12/31/2024

Project Name: Poplar Square Project

Project Description: Poplar Square is an existing multifamily affordable housing development located in Sumter County, South Carolina, which will be acquired and renovated by the Borrower. The Project will consist of 100 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"/>	\$9,800,000 (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.)

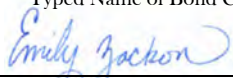
- A. Petition
- B. Resolution or Ordinance
- C. Inducement Resolution or comparable preliminary approval
- D. Department of Health and Environmental Control Certificate *if required*
- E. State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus _____ copies for certification 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

)

PETITION

COUNTY OF RICHLAND

)

TO THE STATE FISCAL ACCOUNTABILITY
 AUTHORITY OF SOUTH CAROLINA

)

POPLAR SQUARE
 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. DGA Poplar Square 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 (Poplar Square Apartments Project) Series 2024 ("*Bonds*"), in the aggregate principal amount of not exceeding \$11,000,000, tax-exempt and taxable, for the acquisition, rehabilitation and equipping of an approximately 100-unit multifamily development located in the City of Sumter, Sumter County, South Carolina, to be known as Poplar Square (the "*Project*").

3. The Authority has preliminarily approved the issuance of the Bonds pursuant to a resolution adopted on July 11, 2024, to provide funds to make a mortgage loan to the Sponsor for the acquisition, rehabilitation and equipping of the Project, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection with the issuance of the Bonds.

4. The Authority will adopt a final resolution (the "*Resolution*") authorizing the issuance and sale of the Bonds and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Bonds. The Authority will take steps necessary to comply with the requirements of Section 142 of the Internal Revenue Code of 1986, as amended.

5. The net interest rate to be borne by the Bonds has not been determined. The interest rate will not exceed the limitations or contravene the conditions described in the Act.

6. The trustee for the issue and the size, date, maturity schedule, payment dates and repayment provisions with respect to the Bonds shall be finally determined prior to the date the Bonds are issued. As soon as these matters are finally determined, a precise schedule thereof shall be presented to the SFAA or its designee as provided by the Act.

7. The Authority requests that the SFAA delegate to the State Treasurer the ability to approve the interest rate on the Bonds and to grant on behalf of the SFAA final approval for the issuance of the Bonds. Prior to the issuance of the Bonds, the Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (a) the principal amount of the Bonds to be issued;
- (b) the maturity schedule of the Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said 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.

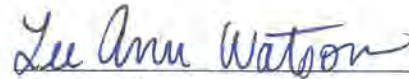
11. Based on information provided by the Sponsor to the Authority, the Authority represents that the Bonds in the amount of not exceeding \$11,000,000, tax-exempt and taxable, constitutes all of the private activity bond financing contemplated at the time for the Project and any other facilities located 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.

12. Pursuant to the final tax-exempt bond rankings published by the Authority, the Authority may issue tax-exempt Bonds in an amount not to exceed \$9,800,000 for the Project and will utilize the Authority's carryforward allocation of State ceiling. The remaining not to exceed \$1,200,000 in Bonds may be issued, if necessary, on a taxable basis and will not require an allocation of State ceiling.

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**



Lee Ann Watson
General Counsel

July 11, 2024

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS OR NOTES (POPLAR SQUARE 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, DGA Poplar Square LP, a limited partnership duly organized under the laws of the State of Tennessee (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 (Poplar Square Apartments Project) Series 2024, in the aggregate principal amount of not exceeding \$11,000,000, tax-exempt and taxable, for the purpose of making a loan (the “*Mortgage Loan*”) to the Sponsor for the acquisition, rehabilitation and equipping of an approximately 100-unit apartment development located in the City of Sumter, Sumter County, South Carolina, to be known as Poplar Square 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 (Poplar Square Apartments Project) Series 2024” (with any appropriate series or subseries designations) in the aggregate principal amount of not exceeding \$11,000,000, on a tax-exempt and taxable basis (the “*Bonds*”). Pursuant to the final tax-exempt bond rankings published by the Authority, the Authority may issue tax-exempt Bonds in an amount not to exceed \$9,800,000 for the Project and will utilize the Authority’s carryforward

allocation of State ceiling. The remaining \$1,200,000 in Bonds may be issued, if necessary, on a taxable basis and will not require an allocation of State ceiling.

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 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.

Section 13. Reimbursement. It is the intention of the Authority that this resolution shall constitute an official action on the part of the Authority within the meaning of the applicable regulations of the Department of Treasury of the United States of America relating to the issuance of tax-exempt revenue bonds and the Authority hereby declares its official intent under section 1.150-2 of the Treasury Regulations, based on information provided by the Sponsor, for proceeds of the Bonds to be used to reimburse expenditures paid by the Authority or the Sponsor for the Project prior to the issue date of the Bonds. The maximum principal amount of the Bonds is set forth above.

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

I, the undersigned Secretary to 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 11th day of July 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 11th day of July 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 (POPLAR SQUARE 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 (“SC Code”), 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, DGA Poplar Square LP, a Tennessee limited partnership (the “Sponsor”), has requested the Authority to assist it in an undertaking to acquire, rehabilitate and equip a multifamily affordable housing development, consisting of approximately 100 units, located in Sumter 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 (Poplar Square Project) Series 2024 in an aggregate principal amount of not exceeding \$11,000,000, taxable or tax-exempt (the “Bonds”); and

WHEREAS, the Authority has presented to the SFAA its Petition dated as of July 11, 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 (Poplar Square Project) Series 2024, or such other designation as the Board of Commissioners of the Authority may determine, in the principal amount of not exceeding \$11,000,000, taxable or tax-exempt. Pursuant to the final tax-exempt bond rankings published by the Authority, the Authority may issue tax-

exempt Bonds in an amount not to exceed \$9,800,000 for the Project and will utilize the Authority's carryforward allocation of State ceiling. The remaining not to exceed \$1,200,000 in Bonds may be issued, if necessary, on a taxable basis and will not require an allocation of State ceiling.

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 31-13-220 of the SC Code, 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
Sumter, SC
Charlotte, NC
Columbia, SC
Sumter, SC
Raleigh, NC
Spartanburg, SC
Washington, DC

August 20, 2024

State Fiscal Accountability Authority
Columbia, South Carolina

South Carolina Attorney General
Columbia, South Carolina

Re: *Not Exceeding \$11,000,000*
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds or Notes (Poplar Square 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 \$11,000,000 South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds or Notes (Poplar Square Project), tax-exempt or taxable (“*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, rehabilitation and equipping of a multifamily affordable housing development located in Sumter County, South Carolina, to be known as the Poplar Square. The Bonds are expected to be issued pursuant to the terms of a 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 DGA Sumter 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 July 11, 2024, a Petition of the Issuer to the SFAA requesting that the SFAA approve the issuance of the Bonds, and 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 the 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 \$11,000,000 Multifamily Housing Revenue Bonds or Notes (Poplar Square Project) Series 2024, in one or more series, tax-exempt or taxable (“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 DGA Poplar Square LP, a Tennessee limited partnership (“Borrower”), to (i) finance the costs of acquiring, rehabilitating and equipping a 100-unit multifamily housing development to be known as Poplar Square located in Sumter 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 November 20, 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 Sumter County.

STATE FISCAL ACCOUNTABILITY AUTHORITY
OF SOUTH CAROLINA
By: Delbert H. Singleton, Jr., Secretary

CERTIFICATE OF THE ALLOCATING AGENCY

POPLAR SQUARE/ DGA POPLAR SQUARE LP

I, the undersigned, Robert MacDonald, the duly qualified Chief of Staff at the South Carolina State Housing Finance and Development Authority (the "Authority") DO HEREBY CERTIFY that:

As provided in the 2023 South Carolina Qualified Allocation Plan (the "2023 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 Poplar Square Apartments (the "Project") be carried out in the manner described in the Project's application, the Project will be a project described by the 2023 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 2023 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 18th day of July, 2024.

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

By: Robert MacDonald
Robert MacDonald, Chief of Staff



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

July 12, 2024

RE: Preliminary Determination of State Tax Credit
Avery Landing - #52311

Dear Ms. Archer:

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 \$2,065,500.00, and a total allocation amount for the ten-year credit period not to exceed \$20,655,000.00. 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.

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

AGENCY: Executive Director

SUBJECT: South Carolina State Ceiling Allocation Plan - 2025

As a condition of allocating state ceiling, Act 202 of 2022 directs the Authority to adopt an annual State Ceiling Allocation Plan. Section 1-11-520(A) requires the Authority to publish its plan no later than September 30th of the year preceding the calendar year to which the plan applies.

In compliance with Act 202, a proposed 2025 State Ceiling Allocation Plan has been developed. As required by Act 202, the proposed Plan was submitted to the Joint Bond Review Committee for review at its meeting of August 20, 2024. The Committee recommended approval of the Plan.

AUTHORITY ACTION REQUESTED:

Approve the 2025 State Ceiling Allocation Plan.

ATTACHMENTS:

1. Proposed 2025 South Carolina State Ceiling Allocation Plan
2. 2022 Act 202 (H. 5075)
3. JBRC Letter dated August 20, 2024

2025 South Carolina State Ceiling Allocation Plan

SECTION A. CONVENTIONS, DEFINITIONS AND EXHIBITS

Authorized Request includes any request submitted pursuant to §1-11-530(A) or (B) and any request for Issuance Approval as defined below using prior year carryforward.

Issuance approval means approval by the State Authority for the issuance by State Housing of private activity bonds for a multi-family housing project, as required by Section 31-13-90.

Plan Year refers to the year to which this plan applies, which is noted in the header on each page.

Commerce means the South Carolina Department of Commerce.

Committee means the Joint Bond Review Committee.

JEDA means the Jobs-Economic Development Authority.

Secretary means the Secretary of the State Fiscal Accountability Authority.

State Authority means the State Fiscal Accountability Authority.

State Housing means the State Housing Finance Development Authority.

Exhibit	Subject
A	Competitive Criteria for Industrial and Economic Development Projects, and Projects Proposed for Other Qualified Purposes
B	Competitive Criteria for Multi-family Housing Projects
C	Evaluation and Ranking Report Format for Multi-family Housing Projects

SECTION B. AUTHORITY AND ADOPTION

The State Authority approved this plan at its meeting of August 27, 2024. Unless the State Authority provides otherwise herein, the Plan is effective upon adoption.

The Committee favorably reviewed this plan at its meeting of August 20, 2024.

Section 1-11-520(A) requires the annual publication of a State Ceiling Allocation Plan no later than September thirtieth of the year preceding the Plan Year. The State Authority intends to adopt each year's plan at its last regularly scheduled meeting prior to September thirtieth.

2025 South Carolina State Ceiling Allocation Plan

SECTION C. PLAN UPDATES AND AMENDMENTS; PLAN PUBLICATION

Administrative Updates

The Plan may be updated administratively as provided herein. An administrative update authorized by this plan is deemed not to constitute an amendment to the Plan.

By the second Monday in January, the Secretary shall publish an administrative update of the plan that (a) updates Section D to state the actual certified amount of state ceiling for the Plan Year, (b) updates Section D to recalculate the limits on authorized requests using the total state ceiling for the Plan Year, (c) updates Section E to state the then-current amounts identified in that Section (d) adds to Section E the amount of any carryforward designated in the prior calendar year pursuant to Section 1-11-520(G), and (e) using the Category Percentages previously approved, recalculates the dollar amounts in Section G based on the actual certified amount of state ceiling for the Plan year.

At the State Authority's first regularly scheduled meeting for the Plan Year, the Secretary will submit a summary of the updates to the State Authority as an informational agenda item.

Plan Amendments

The Plan may be amended as allowed by Title 1, Chapter 11. Section 1-11-520 expressly contemplates amendments to the annual allocation plan upon a finding of exceptional and compelling circumstances by the State Authority. Amendments are subject to review and comment by the Committee. See Section H.

Publication of the Plan

Section 1-11-520(A) requires the State Authority to publish the plan. Once approved, the Secretary is directed to publish the approved plan, as well as any amendment or update, by posting it to the State Authority's website. The initial plan and every update or amendment shall remain on the State Authority's website until the end of the Plan Year.

All updates or amendments shall be sequentially numbered. With each update or amendment, the header shall be revised to include the number and date of the update or amendment, as applicable.

SECTION D. DETERMINATION OF STATE CEILING AND LIMITS ON STATE CEILING FOR AUTHORIZED REQUESTS

The total state ceiling on the issuance of private activity bonds for the current Plan Year is \$671,694,375, as certified by the Secretary pursuant to Section 1-11-500.

2025 South Carolina State Ceiling Allocation Plan

Unless authorized pursuant to Section 1-11-520(D), the amount of state ceiling that may be allocated to an authorized request may not exceed 10% of the total state ceiling (\$67,169,437.50) in the case of an industrial or economic development project, or 5% (\$33,584,718.75) for any other authorized request.

The total state ceiling for the Plan Year will not be known until the January following the plan's adoption; accordingly, for purposes of the plan's publication, the State Authority will use the state ceiling for the year in which the plan is published. As reflected above, the limits on authorized requests are calculated against the total state ceiling for the year preceding this Plan Year. As reflected in Section E below, the plan will also use an estimate of the carryforward the Secretary anticipates will be unused and available for the Plan Year. These and other tentative amounts will be updated pursuant to Section C.

SECTION E. DETERMINATION OF AMOUNTS SUBJECT TO THIS ALLOCATION PLAN

In addition to the amount determined pursuant to Section 1-11-500, certain amounts available from carryforward from prior years and other adjustments are subject to the provisions of this Allocation Plan, as follows:

Amount determined pursuant to Section 1-11-500	\$671,694,375
Plus amounts expired, relinquished, revoked, or otherwise not utilized for issuance	\$0
Plus amounts carried forward from prior calendar years that remain unused:	
Allocated to Multi-Family Housing (2022; expires 2025)	\$200,977,550
Allocated to Multi-Family Housing (2023; expires 2026)	\$175,507,079
<hr/> Total	<hr/> \$1,048,179,004 ¹

SECTION F. ALLOCATION PERIODS & DATES FOR ALLOCATIONS TO AUTHORIZED REQUESTS

Pursuant to Section 1-11-520(B), the State Authority hereby provides for two allocation periods and hereby designates February 1 and August 1 as the beginning of each period. On those dates, 50% of the state ceiling assigned to each category is made available for subsequent allocation to authorized requests.

Authorized requests for an allocation of state ceiling, as well as requests for issuance approval for projects using carryforward from prior years will be considered on one or more dates on or

¹ The State Authority allocated and designated as carryforward \$375,507,079 of the 2023 state ceiling to State Housing on December 31, 2023. Of that amount, State Housing elected to apply \$175,507,079 to its multi-family housing program and \$200,000,000 to its single-family program.

2025 South Carolina State Ceiling Allocation Plan

after the beginning of each allocation period, as established and announced by the Executive Director of the State Authority. Notwithstanding the foregoing, all authorized requests for the same permitted purpose during a single allocation period must be made at only one meeting during that period.

SECTION G. CATEGORIES OF PERMITTED PURPOSES; PERCENTAGE ASSIGNMENTS TO CATEGORIES

In accordance with Section 1-11-520(A), the State Authority adopts the following categories of permitted purposes and assigns percentages of the current-year state ceiling to those categories.

Categories of Permitted Purposes ²	Category Percentage	Category Amount	Amount Available for Allocation on or after February 1 of the Plan Year	Amount Available for Allocation on or after August 1 of the Plan Year
Industrial and Economic Development ³	40%	\$268,677,750	\$134,338,875	\$134,338,875
Multi-Family Housing ⁴	0%	\$0.00	\$0.00	\$0.00
Single-Family Housing ⁵	20%	\$134,338,875	\$67,169,437.50	\$67,169,437.50
Other Qualified Purposes ⁶	40%	\$268,677,750	\$134,338,875	\$134,338,875
Totals	100%	\$671,694,375	\$335,847,187.50	\$335,847,187.50

The above amounts are subject to revisions pursuant to the update required by Section C.

As noted in Section E, there is carryforward available for Multi-Family Housing that will expire during the plan year unless otherwise utilized. Accordingly, no assignment of state ceiling is contemplated for Multi-Family Housing until the available carryforward is exhausted.

Any unused state ceiling from the first period shall automatically carry over to the same category for the second period unless reassigned by State Authority pursuant to 1-11-520(C).

If an authorized request submitted to the Secretary cannot be approved pursuant to the then-current plan even with a reassignment pursuant to Section 1-11-520(C), the Secretary is authorized not to place the request on the State Authority's agenda. In such an event, Secretary

² Generally, see IRS Publication 4078 (Rev. 9-2019) for a complete list of permitted purposes prescribed by the IRC.

³ Facilities for the furnishing of water; sewage facilities; privately owned solid waste disposal facilities; facilities for the local furnishing of electric energy or gas; local district heating or cooling; qualified hazardous waste facilities; qualified enterprise zone facilities; qualified small issue bonds.

⁴ Qualified residential rental projects.

⁵ Qualified mortgage bonds.

⁶ Mass commuting facilities; privately owned high-speed intercity rail facilities; qualified redevelopment bond; and qualified student loan bonds.

2025 South Carolina State Ceiling Allocation Plan

will notify the State Authority's members as soon as practicable prior to the scheduled meeting date.

SECTION H. PLAN AMENDMENTS

Any change to the amount of state ceiling allocated to a category that cannot be accomplished by a reassignment pursuant to Section 1-11-520(C) can only be effected by an amendment to the annual allocation plan in accordance with Section 1-11-520(B) following review and comment by the Joint Bond Review Committee.

SECTION I. EVALUATION AND RANKING BY STATE HOUSING AND COMMERCE

Pursuant to Section 1-11-520(E), the State Authority hereby directs that State Housing perform the periodic evaluation and ranking of all multi-family housing projects involving either an authorized request for state ceiling or a request for issuance approval of bonds using carryforward. In performing this evaluation and ranking, State Housing will use the competitive criteria adopted in this plan and provide a report as described in **Exhibit C**.

Pursuant to Section 1-11-520(E), the State Authority hereby directs that the South Carolina Department of Commerce perform the periodic evaluation and ranking of any non-housing project involving an authorized request for state ceiling. In performing this evaluation and ranking, Commerce will use the competitive criteria adopted in this plan and provide a report as described herein.

SECTION J. SUBMISSION FOR 2025 RANKING

No request for an allocation of state ceiling will be considered by the State Authority until the project associated with the request has been evaluated and ranked by either State Housing or Commerce, as applicable.

No request for issuance approval for a multi-family housing project using carryforward allocated to State Housing in prior years will be considered by the State Authority until the project has been evaluated and ranked by State Housing. Reference Section E.

Timely submissions are essential for applicants seeking an allocation of state ceiling or approval to issue multi-family housing bonds. Any delay can undermine the ability of the State Authority to timely adopt any plan amendment necessary to modify the category assignments. Reference Section H.

Industrial and Economic Development

Any Industrial or Economic Development project making an authorized request during an allocation period must submit all necessary information to Commerce by any due date established by Commerce for the applicable allocation period. Once the State Authority adopts

2025 South Carolina State Ceiling Allocation Plan

a schedule for its regular meetings in the Plan Year, Commerce should announce all applicable due dates for each allocation period.

Not later than the published bond due date for the applicable State Authority meeting, Commerce must provide the State Authority with its allocation recommendations and its evaluation and ranking for any non-housing project seeking an allocation of state ceiling, provided the request was timely received by Commerce.

As noted in Item 6 of Section P below, Commerce must provide the State Authority with written confirmation of the Coordinating Council's allocation recommendations no later than the published bond due date for the applicable State Authority meeting.

Multi-Family Housing

All multi-family housing projects making an authorized request during an allocation period must submit all necessary information to State Housing by the due date established by State Housing for the applicable allocation period. Once the State Authority adopts a schedule for its regular meetings in the Plan Year, State Housing should announce all applicable due dates for each allocation period.

Not later than the published bond due date for the applicable State Authority meeting, State Housing must provide the State Authority with a report of its evaluation and ranking of all projects requesting an allocation of state ceiling and all projects requesting issuance approval for a multi-family housing project using carryforward allocated to State Housing in prior years. State Housing's report must also include its evaluation and ranking of all pending state tax credit applications. The report must include all the information identified in **Exhibit C**.

As noted in Item 7 of Section P below, State Housing must provide the State Authority with written confirmation of its Board's allocation recommendations for State Housing projects no later than the published bond due date for the applicable State Authority meeting.

SECTION K. REQUIRED REPORTS

No later than September 30th each year, the State Authority must adopt a plan for the next calendar year. In order to develop that plan, the State Authority needs reliable information before it begins drafting. To gather that information, the State Authority requests the following reports be submitted by August 1st of each year.

The State Authority acknowledges that specific project details may not be known in all cases for the coming plan year; accordingly, specificity is expected to the extent known, accompanied by reasonable estimates of anticipated requests.

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These reports will also inform any decisions to reassign state ceiling pursuant to section 1-11-520(C), to reallocate by amending the plan pursuant to section 1-11-520(B), or to reserve current-year state ceiling for year-end designation as carryforward.

Industrial and Economic Development Bonds

Commerce and JEDA, in consultation with the South Carolina Coordinating Council for Economic Development (Coordinating Council), must provide a coordinated report for proposed industrial and economic development projects to the State Authority identifying all known requests for state ceiling for the year following the plan year. The response must include the project name,⁷ amount of the state ceiling request, year of allocation, and tentative recommendation of Commerce in accordance with the competitive criteria described below.

Separate from its report, Commerce must submit proposed deadlines for the year following the plan year by which those seeking state ceiling for Industrial and Economic Development projects or projects proposed for other qualified purposes must submit their proposals to Commerce in order for Commerce to provide the State Authority with its final ranking and recommendations no later than the bond submission deadline for the meetings at which state ceiling allocation requests will be considered for the applicable allocation period. Commerce must submit proposed deadlines on the 10th business day following the Authority's adoption of a meeting schedule for the Plan Year.

Commerce may also submit a request for the State Authority to assign up to 40 percent of state ceiling for Industrial and Economic Development, less any allocation requested for known projects, to accommodate future but presently unidentifiable requests; provided, however, that once known, each such request shall identify the project, amount of the allocation request, year of allocation, and include a recommendation of Commerce in accordance with the competitive criteria.

Multi-Family and Single-Family Housing Bonds

State Housing must provide a report for proposed single-family and multi-family housing projects to the State Authority identifying all pending and expected authorized requests for the year following the plan year. The response must include the project name, amount of the state ceiling request, amount of state tax credit (if any), and year of allocation.

The report must also include recommendations for the amount of carryforward from prior years needed for State Housing to continue each of its programs in the year following the plan year.

With its report, Housing must submit proposed deadlines for the year following the plan year by which those seeking state ceiling for multi-family housing projects must submit their

⁷ Or other identifying information in the event the name of the project is not yet public.

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proposals to Housing in order for Housing to provide the State Authority with its final ranking and recommendation no later than the bond submission deadline for the meetings at which state ceiling allocation requests will be considered for the applicable allocation period.

State Housing must provide the Secretary with a year-end account of any unused remaining carryforward from prior years no later than first business day of January each year.

SECTION L. COMPETITIVE CRITERIA - GENERALLY

Section 1-11-520(E) requires that the allocation plan establish competitive criteria for allocation of state ceiling to authorized requests, and further provides that competitive criteria may be unique to each category but must be uniform within each category and established to achieve highest value and greatest public benefit.

For purposes of this Allocation Plan, determinations of highest value and greatest public benefit will be made on the basis of the relationship of the state resources requested to the measurable benefit of the proposed project.

SECTION M. COMPETITIVE CRITERIA FOR INDUSTRIAL AND ECONOMIC DEVELOPMENT ALLOCATION AND ALLOCATION TO OTHER PERMITTED PURPOSES

Commerce must provide each year to the State Authority for inclusion in the annual State Ceiling Allocation Plan its recommendations for determining highest value and greatest public benefit for allocation of state ceiling to industrial and economic development projects, and projects proposed for other qualified purposes.

Determinations of highest value and greatest public benefit must include at a minimum and without limitation such measures as the number of new permanent jobs⁸ that will be created by the project; the capital investment of the project sponsor independent of state incentives and resources; and a cost benefit analysis generally reflecting a positive financial benefit to the state. The Coordinating Council must submit its proposed recommendations for the year following the plan year to the State Authority no later than August 1 of the plan year. Commerce will use these measures to evaluate any ceiling allocation requests for Industrial and Economic Development projects and projects proposed for other qualified purposes, and such evaluations shall be presented to the Coordinating Council for approval at a public meeting.

For projects seeking state discretionary incentives such as job development credits and/or state grant funding, a definitive agreement with the Coordinating Council must have been finalized prior to consideration by the State Authority. Such agreements with the Coordinating Council may include a preliminary revitalization, grant performance or other incentive agreement

⁸ Generally, maintenance of existing jobs will not meet this criterion.

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provided that it contains minimum new permanent job and investment commitments by the entity seeking an allocation.

For projects that are not seeking state discretionary incentives, such information as is requested and determined by Commerce to be sufficient for Commerce to evaluate the feasibility and competitiveness of the proposal must be submitted to Commerce prior to consideration by the State Authority.

If multiple projects will be submitted for consideration by the State Authority within a single allocation period, Commerce must rank those projects from highest to lowest value and public benefit as determined by provisions of this section.

In addition to the foregoing, Commerce must, after the project has been fully vetted and all due diligence conducted, provide a definitive recommendation for the amount of state ceiling proposed to be allocated to the project, following an affirmative vote of the Coordinating Council in a public meeting.

For the current year, the competitive criteria for Industrial and Economic Development projects recommended by Commerce are adopted by the State Authority, attached as **Exhibit A**, and incorporated into this Plan by reference.

SECTION N. COMPETITIVE CRITERIA FOR MULTI-FAMILY HOUSING ALLOCATION

State Housing must provide each year to the State Authority for inclusion in the State Ceiling Allocation Plan its recommendations for determining highest value and greatest public benefit for allocation of state ceiling to multi-family housing projects.

Determinations of highest value and greatest public benefit must reflect the relationship of the state resources proposed for the project to the affordable housing benefits the project will achieve. Total state resources must include without limitation the amount of state ceiling, any applicable state tax credits, and any other state resources and incentives as are germane and applicable to the project. Affordable housing benefits must include without limitation such facility characteristics as the heated residential square footage, number of bedrooms, and number of tenants the project is designed to serve. A determination of highest value must include a comparison of the state resources to the project's total cost.

State Housing may coordinate these determinations with the applicable Qualified Allocation Plan and any other threshold requirements, policies, or procedures as are consistent with this section.

If multiple multi-family project submissions (for ceiling allocation and/or issuance approval for use of carryforward) will be considered by the State Authority within a single allocation period, State Housing must rank those projects from highest to lowest value and public benefit, as determined by the provisions of this section and Exhibit B.

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These criteria will be applied uniformly to all multi-family housing projects whether seeking current year ceiling allocation or issuance approval using carryforward. State Housing must submit its proposed recommendations for the coming year to the State Authority no later than August 1 of the plan year.

In addition to the foregoing, State Housing must, after the projects are fully vetted and all due diligence conducted, provide a definitive recommendation for the amount of state ceiling proposed to be allocated to any State Housing project, following an affirmative vote of its governing board in a public meeting.

For the current year, the competitive criteria for Multi-family Housing projects recommended by State Housing are adopted by the State Authority, attached as **Exhibit B**, and incorporated into this Plan by reference.

SECTION O. COMPETITIVE CRITERIA FOR SINGLE-FAMILY HOUSING ALLOCATION

Multiple competing requests during a single allocation period are not expected for submissions in this category. Accordingly, the State Authority has determined that the highest value and greatest public benefit are most appropriately determined at the programmatic level, rather than by allocations to specific requests.

SECTION P. SUBMISSION REQUIREMENTS FOR AUTHORIZED REQUESTS

All submissions for allocation of state ceiling must be complete at the time of submission. The Secretary is authorized not to place any incomplete submission on the agenda. The request must be in accordance with the statutory provisions of Section 1-11-530. In addition to the foregoing, all requests for allocation of state ceiling must meet all of the following requirements, as applicable:

1. If the applicable private activity bonds require approval of the State Authority, the request for allocation of state ceiling must include a contemporaneous request for approval to issue the associated bonds. A request for an allocation of state ceiling associated with a contemporaneous request for issuance approval is not complete unless it includes all items required by the State Authority for the issuance approval request.
2. If the applicable private activity bonds require the approval of an entity other than the State Authority, the issuer, or a state constitutional officer, a certified statement from the other approving entity must be submitted with the allocation request. For example, an issuance of bonds by JEDA must be approved by the Coordinating Council (§ 41-43-110(A)).
3. If a request for allocation of state ceiling regards private activity bonds for a multi-family housing project, either (i) the petition making the request must be accompanied by both a preliminary determination of the project's eligibility for the South Carolina housing tax credit (§12-6-3795(B)(5)(d)) and all comments provided by a county and city pursuant to Section 12-6-

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3795(C)(3)); or (ii) the petition making the request must include an irrevocable waiver of any claim for a state tax credit pursuant to Section 12-6-3795, accompanied by proof that the petition has been filed with State Housing.

4. If a request for issuance approval regards private activity bonds for a multi-family housing project, and is using carryforward allocated to State Housing in prior years, either the (i) the petition making the request must be accompanied by both a preliminary determination of the project's eligibility for the South Carolina housing tax credit (§12-6-3795(B)(5)(d)) and all comments provided by a county and city pursuant to Section 12-6-3795(C)(3)); or (ii) the petition making the request must include an irrevocable waiver of any claim for a state tax credit pursuant to Section 12-6-3795, accompanied by proof that the petition has been filed with State Housing.

5. If an authorized request regards a multi-family housing project, the request must undergo a feasibility and underwriting review by State Housing; accordingly, the request must be accompanied by a Certificate of Allocating Agency (42(m) Letter). This requirement applies even if the project includes an irrevocable waiver of any claim for state tax credits pursuant to Section 12-6-3795.

6. The petition submitted for each authorized request must include an acknowledgement that any amount of allocation subsequently requested will constitute a new authorized request and a representation that "the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project." Reference Section 1-11-530(C).

7. In the case of a proposed industrial or economic development project using state ceiling from either the Industrial and Economic Development or Other Qualified Purposes categories, the authorized request must be accompanied by a letter signed by an executive officer of the project sponsor establishing the project scope and expenditure schedule for proceeds of bonds to which the ceiling allocation applies.

8. In the case of a proposed industrial or economic development project using state ceiling from either the Industrial and Economic Development or Other Qualified Purposes categories, the project must appear on the list of projects ranked by the Coordinating Council for Economic Development and must have received a definitive recommendation from the Coordinating Council for the amount of state ceiling proposed to be allocated to the project.

9. In the case of a proposed project using state ceiling from the Multi-family Housing category or prior year carryforward previously allocated to State Housing for multi-family housing projects, the project must appear on a single consolidated list of projects ranked by State Housing and must have received a definitive recommendation from State Housing for the amount of state ceiling proposed to be allocated to the project.

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10. A request to take any of the following actions must be accompanied by a letter signed by an executive officer of the project sponsor providing a thorough explanation of the compelling circumstances leading to the request and a justification for why those circumstances were not successfully avoided: A request (a) to reinstate or extend the validity of previously allocated state ceiling, (b) to allocate state ceiling to a project if previously allocated state ceiling was allowed to expire, or (c) to allocate additional state ceiling to a project. In addition, a request to allocate additional state ceiling to a project must be accompanied by supporting financial analysis demonstrating the further amount necessary to accomplish financial feasibility of the project. A responsible officer of the project sponsor is expected to attend the applicable State Authority meeting.

11. A request (a) to approve single-project allocations for carry-forward election, or (b) to approve carryforward elections prior to the fourth quarter of the calendar year to which the state ceiling applies must be accompanied by a letter signed by an executive officer of the project sponsor that provides a compelling justification for such action and a thorough explanation of why it is in the best interest of the state to approve the request. As noted below, such requests are considered extraordinary and will receive a heightened level of review. A responsible officer of the project sponsor is expected to attend the applicable State Authority meeting.

12. In the case of an industrial or economic development project, an authorized request seeking more than ten percent of the total state ceiling for the Plan Year must be accompanied by a thorough and compelling statement of facts justifying such an extraordinary allocation of state ceiling to a single project and sufficient to support the finding required by Section 1-11-520(D). The petition must be accompanied by a statement of position by the Coordinating Council regarding the relative size of the request.

13. In the case of a project for any purpose other than for industrial or economic development, an authorized request seeking more than five percent of the total state ceiling for the Plan Year must be accompanied by a thorough and compelling statement of facts justifying such an extraordinary allocation of state ceiling to a single project and sufficient to support the finding required by Section 1-11-520(D).

14. If any part of the submission is subject to review, comment or other action of the Joint Bond Review Committee, the item must be submitted to the committee prior to consideration of the submission by the State Authority.

If a request does not meet each and every published requirement by the submission deadline for the applicable State Authority meeting, the State Authority's Secretary is authorized not to place the item on the State Authority's agenda.

The State Authority reserves its discretion to amend and supplement these procedures as circumstances dictate.

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The State Authority and its members reserve the right to require additional information for any particular item.

SECTION Q. EXTENSIONS AND CARRYFORWARDS

Section 1-11-530(C) provides that each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project. In addition to the foregoing, the State Authority must be reasonably assured that any allocation of state resources will be utilized prior to expiration. Accordingly, the State Authority will undertake a heightened level of review and exercise conservative discretion in addressing any request to (1) reinstate or extend the validity of previously allocated state ceiling, (2) allocate state ceiling to a project if previously allocated state ceiling was allowed to expire, (3) allocate additional state ceiling to a project, (4) approve single-project allocations for carry-forward election, (5) or approve carryforward elections prior to the fourth quarter of the calendar year to which the state ceiling applies.

SECTION R. BACKGROUND

On August 30, 2022, the State Fiscal Accountability Authority adopted the inaugural South Carolina State Ceiling Allocation Plan pursuant to Act 202 of 2022. Section A of the 2022 State Ceiling Allocation Plan provided the background and purpose of the plan. The background and purpose of the inaugural plan and Act 202 of 2022 has not changed and need not be repeated on an annual basis. However, the Background and Purpose as written in the 2022 State Ceiling Allocation Plan remains relevant and is incorporated by reference for the 2023 South Carolina State Ceiling Allocation Plan.

EXHIBIT A

2025 COMPETITIVE CRITERIA FOR ECONOMIC DEVELOPMENT AND OTHER PROJECTS

SUMMARY OF PROCEDURES FOR EVALUATING REQUESTS FOR STATE CEILING ALLOCATIONS

The following briefly summarizes the procedures applicable to the methodology employed by the South Carolina Department of Commerce (the “Department”) in evaluating industrial and economic development projects that are requesting an allocation of the state private activity bond limit by the State Fiscal Accountability Authority (SFAA).

Background

The Department was designated by the South Carolina General Assembly to assist SFAA in determining the allocation of the state private activity bond limit for industrial and economic development projects. As required by Act 202 of 2022 and the South Carolina State Ceiling Allocation Plan, Commerce has established competitive criteria to evaluate industrial and economic development projects. These criteria are designed to achieve highest value and greatest public benefit.

Review Procedures and Scoring

During the review process, Department staff will evaluate the following factors for each industrial and economic development project requesting allocation of the state ceiling and will give scores weighted in the ranges set forth on the attached Scoring Criteria for Bond Applicants and as discussed below.

1. **Tier ranking of the county in which the project will be located as determined by the South Carolina Department of Revenue for the year in which allocation is sought.**
Projects in the most rural counties will be given higher scores to encourage development in those counties. The rural counties are most in need of industrial development to sustain and improve those counties.
2. **Type of Project.**
Projects that improve public infrastructure will score higher than projects that only benefit the public through job creation and investment. Manufacturing projects will score higher than non-manufacturing projects because they attract suppliers that generate further new job creation and investment to South Carolina.
3. **Number of existing jobs to be maintained at the project.**
The larger the current employment, the higher the score because larger companies have the greatest impact on the economy of the local region and the state as a whole.
4. **Number of net new jobs to be created at the project.**
The more jobs being created, the greater the impact on the economy of the local region and the state as a whole by providing more employment for residents and resulting in increased income to the state.
5. **Average salary of the new jobs to be created at the project.**
Jobs with higher wages will increase income to the state, and jobs with wages above the per capita income of the county have a greater impact on the economic well-being of that county.
6. **Existing investment of the entity.**
The greater the existing investment the more property taxes that will be received to benefit the economy of the local region and the state as a whole.
7. **New investment to be made at the project.**
Similarly, the greater the new investment, the more property taxes that will be received and will benefit the county and local school districts.

8. **Financing available to support the project.**

This category is the most subjective, but a vital consideration. A project's ability to support the project financially is essential to success.

9. **Cost Benefit**

The South Carolina Coordinating Council for Economic Development (the "Coordinating Council") will perform a cost benefit analysis on each project. Absent extenuating circumstances, a project that does not have a positive financial benefit to the state will not be recommended for state ceiling allocation; provided, however, projects locating in Tier 3 and 4 counties will not be excluded from consideration because of a negative return on investment resulting from the estimated value of job tax credits. While the cost benefit analysis assumes all job tax credits earned and accrued are used, as a practical matter, companies rarely have sufficient income tax liability to use the maximum value of the credits. This is particularly true in the most rural counties because of the extremely high value of the job tax credits under state law.

After consideration of each factor and allocation of appropriate scores, the Department will then calculate the final score using the following formula:

$((\text{County Designation} \times (\text{New Jobs} + \text{New Investment})) + \text{Type of Project} + \text{Existing jobs} + \text{Existing Investment} + \text{Average Salary} + \text{Financing} + \text{Cost Benefit})$

Scoring Criteria for Bond Applicants

County Designation		
Tier 4		3
Tier 3		2
Tier 2		1
Tier 1		1
Type of Project		
Public Infrastructure		4
Manufacturing		2
Other Business		0
Existing Jobs		
> 500		2
100-500		1
0-100		0
New Jobs		
>300		5
150-300		4
50-149		3
25-49		2
<25		1
Existing Investment		
>\$300,000,000		3
\$100,000,000- \$300,000,000		2
\$70,000,000-\$100,000,000		1
<\$70,000,000		0
New Investment		
>\$20,000,000		4
\$10,000,000-\$20,000,000		3
\$5,000,000-\$10,000,000		2
<\$5,000,000		1
Avg. Salary		
>150% of per capita income		2
100% of per capita income		1
<100%		0
Financing		
Financing in place		5
Financing not sufficient to sustain project		0
Cost Benefit		
Positive State Benefit > \$10 million		4
Estimate positive state benefit < \$9.9 Million		2
Negative		-30

EXHIBIT B

**2025 COMPETITIVE CRITERIA FOR MULTI-FAMILY
HOUSING PROJECTS**



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

August 1, 2024

Delbert H. Singleton, Jr., Secretary
State Fiscal Accountability Authority
Wade Hampton Building
1200 Senate Street, Ste 600
Columbia, SC 29201

Re: 2025 Proposed State Ceiling Criteria

Dear Secretary Singleton:

Please be aware that the Proposed State Ceiling Criteria for 2025 will remain the same as the Proposed State Ceiling Criteria last year.

I would greatly appreciate if this matter could be placed before the State Fiscal Accountability Authority for consideration in conjunction with the State Ceiling Allocation Plan.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Hutto".

Richard Hutto, CPA
Executive Director



South Carolina State Housing Finance and Development Authority

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

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Proposed State Ceiling Criteria

For those projects seeking an allocation of state ceiling or carryforward for a multifamily project intending to utilize 4% federal low-income housing tax credits, SC Housing will require certain threshold criteria as detailed in the applicable Qualified Allocation Plan (QAP) which is the controlling document related to the allocation of the credit. This threshold criteria includes items such as financial feasibility, minimum applicant experience, site control, financial capacity of the applicant, and readiness to proceed (i.e., without limitation, establishment of the bond working group, existence of letters of interest or letters of intent from lenders, syndicators, and other parties). Additionally, SC Housing will require projects to meet the requirements outlined in SC Housing's Multifamily Tax-Exempt Bond Finance Program manual.

Projects meeting the threshold criteria described above will be ranked for state ceiling utilizing the following criteria that evidence the highest value and greatest public benefit as required by Act 202 of 2022 and the State Ceiling Allocation Plan. Section O of the State Ceiling Allocation Plan requires, at a minimum, certain measures to be included. The following criteria meet the requirements of the State Ceiling Allocation Plan:

- State resources per heated residential square foot
 - This criterion will rank projects from lowest to highest, based on a calculation of state resources (bond ceiling and state tax credit) per heated residential square foot (i.e., excluding common areas), to demonstrate the most efficient use of state resources for the portion of total project costs applicable to actual tenant housing.
- State resources per bedroom
 - This criterion will rank projects from lowest to highest, based on a calculation of state resources per bedroom, to demonstrate the most efficient use of state resources for the number of families the project will house.
- State resources per dollar of total project costs
 - This criterion will rank projects from lowest to highest, based on a calculation of state resources to total project costs to demonstrate the most efficient investment of state resources in the project overall.
- State resources per potential tenant
 - This criterion will rank projects from lowest to highest, based on a calculation of state resources per potential tenant to demonstrate the most efficient use of state resources for the number of potential residents the project will house.

A 30% adjustment to state resources will be made as a ranking consideration for projects located in USDA-designated rural areas. A 10% adjustment to state resources will be made for new construction units, as a ranking consideration for projects providing an overall increase in affordable housing. These adjustments apply for the sole purpose of establishing project rankings.

Exhibit B - 2024 Competitive Criteria for Multi-family Housing Projects

Development Name (CONTINUOUS PROJECTS)	Location	USDA Rural Eligible?	Approval Date	Annual PTC	10 Year ETC	State Historic Tax Credit	State Abandoned Building Credit	TEB Billing Allocation	Total Project Cost	New Units	As-built Sq. Ft.	Efficiency Points	Green	Blue	Grey	Total Units	Total State Resources	Rural Bonus	New Construction Bonus	ADJUSTED Total State Resources	State Resources per 100 SF	State Resources per Unit	Total Project Cost (Actual)	State Resources per Potential Tenant (Public Benefit)	Development Ranking					
																									State Resources per 100 SF	State Resources per Unit	Total Project Cost (Actual)	State Resources per Potential Tenant (Public Benefit)	Rank	Score
Maple Street Apartments	Seattle	No	1980	\$ 4,800,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 24,000,000	\$ 44,000,000	120	200,000	15	10	10	10	100	\$ 44,000,000	0.0	0.0	\$ 44,000,000	\$ 366.67	\$ 3,000.00	\$ 44,000,000	\$ 366.67	1	1	1	1	4	1
Main Street Village	Overland	No	1980	\$ 442,181.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 8,700,000	\$ 16,700,000	77	60,915	62	11	10	10	100	\$ 16,700,000	0.0	0.0	\$ 16,700,000	\$ 216.87	\$ 2,806.99	\$ 16,700,000	\$ 216.87	2	2	2	2	4	2
Pioneer Hill	Portland	No	1980	\$ 178,547.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 18,000,000	\$ 18,000,000	70	12,000	10	10	10	10	100	\$ 18,000,000	0.0	0.0	\$ 18,000,000	\$ 257.14	\$ 2,571.43	\$ 18,000,000	\$ 257.14	3	3	3	3	3	3
Charlemagne Apartments	Columbia	No	1980	\$ 6,000,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 27,000,000	\$ 33,000,000	200	110,000	10	10	10	10	100	\$ 33,000,000	0.0	0.0	\$ 33,000,000	\$ 165.00	\$ 1,650.00	\$ 33,000,000	\$ 165.00	4	4	4	4	1	1
Building with Future	Paris	No	1980	\$ 675,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 14,000,000	\$ 14,675,000	70	84,000	10	10	10	10	100	\$ 14,675,000	0.0	0.0	\$ 14,675,000	\$ 209.64	\$ 2,096.43	\$ 14,675,000	\$ 209.64	5	5	5	5	1	1
TOTAL				\$ 4,495,628.00				\$ 63,700,000		737	366,915	107	40	40	40	700	\$ 63,700,000	0.0	0.0	\$ 63,700,000	\$ 211.55	\$ 2,115.50	\$ 63,700,000	\$ 211.55	1	1	1	1	1	1

Column A: Development Name
Column B: Development Location
Column C: USDA Rural Designation of the development property. Properties located in rural areas receive a preference bonus reflected in a 30% adjustment to the total state resources figure.
Columns F through H: Annual state tax credits (housing, historic, abandoned building) in the project
Column I: Tax exempt bond ceiling allocation being requested by the developer/sponsor
Column J: Total development project cost
Column K: In mixed-use proposals, the amount of the overall development cost apportioned to multifamily residential. NB: Market rate units are not included in the total.
Column L: The net newly produced units in the proposed project. Projects where a majority of the units are newly produced receive a preference bonus reflected in a 10% adjustment to the total state resources figure.
Column M: Residential square footage is that portion of heated square footage comprising living units, and is of direct use and benefit to the tenants.
Column N-R: The unit mix of the development project by bedroom size of units.
Column U: The number of potential tenants served in the development; 2 persons per bedroom is the standard.
Column V: Total tax exempt bond request plus all state tax credits
Columns W & X: projects located in rural areas as designated by the USDA receive a 30% preference bonus; projects where the majority of units are new (rather than rehab of existing) receive a 10% preference bonus.
Column Y: Adjusted total state resources (see Column T) after the rural and new unit preferences have been factored in.
Column Z: State resources per residential square footage; this reflects the value of the building as an asset and is a component of determining "highest and best value" for the state's investment.
Column AA: State resources per bedroom; this reflects the potential utility of the building to tenants and is a component of determining the "public benefit" of the state's investment.
Column AB: Total project costs ratio; this reflects the value of the state's adjusted total investment relative to the total residential development cost and is a measure of the "highest and best value" for the state's investment.
Column AC: State resources per potential tenant housed in the development; this is reflective of the potential number of citizens served and therefore of the "public benefit" for the state's investment.
Columns AD through AI: Development projects are ranked by relative score in Columns X through AA; a development's rank is totaled across all four ranking categories to produce an Overall Rank within the competitive pool.

Exhibit C - Evaluation and Ranking Report Format for Multi-family Housing Projects

1	Project Name
2	Location (Municipality)
3	Issuer
4	Attorney
5	State Tax Credits (1 year)
6	State Tax Credits (10 years)
7	State Tax Credit Letter Date
8	Current Year-Ceiling Allocation Request Amount
9	Ceiling Allocation Date
10	Carryforward granted by SFAA or SC Housing
11	Amount of Carryforward requested from SHFDA
12	Balance of Carryforward held by SHFDA
13	Annual State Tax Credit needed
14	Balance of Annual State Tax Credits Allocated to 4% projects

South Carolina General Assembly
124th Session, 2021-2022

R228, H5075

STATUS INFORMATION

General Bill

Sponsors: Reps. G.M. Smith and West

Document Path: L:\council\bill\ncd\11339dg22.docx

Companion/Similar bill(s): 1120

Introduced in the House on March 3, 2022

Introduced in the Senate on April 7, 2022

Last Amended on May 4, 2022

Passed by the General Assembly on May 10, 2022

Governor's Action: May 16, 2022, Signed

Summary: Housing tax credit

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
3/3/2022	House	Introduced and read first time (House Journal-page 23)
3/3/2022	House	Referred to Committee on Ways and Means (House Journal-page 23)
3/31/2022	House	Committee report: Favorable with amendment Ways and Means (House Journal-page 31)
4/5/2022	House	Member(s) request name added as sponsor: West
4/5/2022		Scrivener's error corrected
4/6/2022	House	Amended (House Journal-page 77)
4/6/2022	House	Read second time (House Journal-page 77)
4/6/2022	House	Roll call Yeas-99 Nays-5 (House Journal-page 85)
4/7/2022	House	Read third time and sent to Senate
4/7/2022	Senate	Introduced and read first time (Senate Journal-page 11)
4/7/2022	Senate	Referred to Committee on Finance (Senate Journal-page 11)
4/7/2022		Scrivener's error corrected
4/12/2022	Senate	Recalled from Committee on Finance (Senate Journal-page 6)
4/13/2022		Scrivener's error corrected
4/20/2022	Senate	Amended (Senate Journal-page 32)
4/20/2022	Senate	Read second time (Senate Journal-page 32)
4/20/2022	Senate	Roll call Ayes-44 Nays-0 (Senate Journal-page 32)
4/21/2022	Senate	Read third time and returned to House with amendments (Senate Journal-page 8)
4/21/2022		Scrivener's error corrected
4/25/2022		Scrivener's error corrected
4/27/2022	House	Debate adjourned (House Journal-page 33)
5/4/2022	House	Senate amendment amended (House Journal-page 52)
5/4/2022	House	Roll call Yeas-106 Nays-3 (House Journal-page 53)
5/4/2022	House	Returned to Senate with amendments (House Journal-page 54)
5/5/2022		Scrivener's error corrected
5/10/2022	Senate	Concurred in House amendment and enrolled (Senate Journal-page 83)
5/10/2022	Senate	Roll call Ayes-41 Nays-2 (Senate Journal-page 83)
5/12/2022		Ratified R 228 (Senate Journal-page 229)
5/16/2022		Signed By Governor

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VERSIONS OF THIS BILL

[3/3/2022](#)

[3/31/2022](#)

[4/5/2022](#)

[4/6/2022](#)

[4/7/2022](#)

[4/12/2022](#)

[4/13/2022](#)

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[4/21/2022](#)

[4/25/2022](#)

[5/4/2022](#)

[5/5/2022](#)

NOTE: THIS IS A TEMPORARY VERSION. THIS DOCUMENT WILL REMAIN IN THIS VERSION UNTIL FINAL APPROVAL BY THE LEGISLATIVE COUNCIL.

(R228, H5075)

AN ACT TO AMEND SECTION 12-6-3795, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE SOUTH CAROLINA HOUSING TAX CREDIT, SO AS TO DEFINE TERMS AND LIMIT THE CREDIT; TO PROVIDE A ONE-TIME AUTHORIZATION OF SOUTH CAROLINA HOUSING TAX CREDITS FOR CERTAIN PROJECTS APPROVED BEFORE 2022; TO AMEND ARTICLE 3 OF CHAPTER 11, TITLE 1, RELATING TO THE ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS, SO AS TO REQUIRE THE STATE FISCAL ACCOUNTABILITY AUTHORITY TO DEVELOP A STATE CEILING ALLOCATION PLAN ANNUALLY, TO SPECIFY REQUIREMENTS OF THE PLAN, AND TO PROVIDE A PROCESS FOR PERIODIC ALLOCATIONS OF THE STATE CEILING; AND TO REPEAL SECTION 1-11-370 RELATING TO INDEBTEDNESS INCLUDED WITHIN ANY LIMITS ON PRIVATE ACTIVITY BONDS.

Be it enacted by the General Assembly of the State of South Carolina:

South Carolina Housing Tax Credit

SECTION 1. A. Section 12-6-3795 of the 1976 Code, as added by Act 137 of 2020, is amended to read:

“Section 12-6-3795. (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.”

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.

State ceiling allocation

SECTION 2. Article 3, Chapter 11, Title 1 of the 1976 Code is amended to read:

“Article 3

Allocation of State Ceiling on Issuance of Private Activity Bonds

Section 1-11-500. The state ceiling on the issuance of private activity bonds as defined in Section 146 of the Internal Revenue Code of 1986 established in the act must be certified annually by the Secretary of the State Fiscal Accountability Authority (the state authority) based upon the provisions of the act. The secretary of the state authority shall make this certification as soon as practicable after the estimates of the population of the State of South Carolina to be used in the calculation are published by the United States Bureau of the Census but in no event later than February first of each calendar year.

Section 1-11-510. (A) The private activity bond limit for all issuing authorities must be allocated by the state authority in response to

authorized requests as described in Section 1-11-530 by the issuing authorities, or as otherwise provided in Section 1-11-520(G).

(B) The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.

(C) Nothing in this article or the State Ceiling Allocation Plan adopted pursuant to this article grants any rights to, or in the processes used in the allocation or disposition of, state ceiling. Decisions made pursuant to this article are final and are not subject to judicial or administrative review.

Section 1-11-520. (A) No later than September thirtieth of the year preceding the calendar year to which the state ceiling applies, and subject to review and comment by the Joint Bond Review Committee, the state authority must publish a State Ceiling Allocation Plan that assigns percentages of the state ceiling to categories of any of the permitted purposes prescribed by the Internal Revenue Code. Without limitation, categories of permitted purposes may include industrial and economic development bonds; single family housing bonds; multifamily housing bonds; student loan bonds; and any other bonds eligible for tax exemption as a private activity bond pursuant to the Internal Revenue Code. No initial assignment to any single category may exceed forty percent of the state ceiling, and no minimum assignment is required for any category.

(B) Further, the allocation plan must provide for a process of periodic allocations of the state ceiling within each category, which for any period generally may not exceed an amount of the state ceiling allocated to that category equally divided among the number of periods in the year during which allocations are to be made; provided, however, that the state authority may, upon findings of exceptional and compelling circumstances, amend the annual allocation plan following review and comment by the committee.

(C) Notwithstanding the assigned percentages set forth in the allocation plan, the state authority may but need not reassign any state ceiling unused in prior periods as a supplement to and means to address demand for ceiling allocation in a subsequent period. Such reassignment may be made for any allocation category, notwithstanding its original assignment.

(D) Unless otherwise approved in writing by the state authority following justification and substantial findings of significance, no authorized request may receive an allocation of state ceiling applicable to that calendar year exceeding ten percent of the total state ceiling in the

case of an industrial or economic development project, or five percent of the total state ceiling for any other allocation category.

(E) The allocation plan must establish competitive criteria for allocation of state ceiling to authorized requests. Competitive criteria may be unique to each category but must be uniform within each category and established to achieve highest value and greatest public benefit. Discussions of matters related to the periodic evaluation of authorized requests may be conducted in executive session. The state authority may utilize the services of the South Carolina Department of Commerce, the South Carolina State Housing Finance and Development Authority, any other state agency, and any other public or private resources to inform and provide services for the development of the allocation plan, including the evaluation and competitive criteria; and the periodic evaluation of authorized requests. The Department of Commerce and the State Housing Finance and Development Authority are directed to provide to the state authority such assistance as may be requested or required to accomplish the purposes of this article.

(F) Allocations of state ceiling to authorized requests must be made in accordance with the provisions of the allocation plan and policies and procedures adopted by the state authority.

(G) The state authority must determine the disposition of any remaining, unused state ceiling during the final period of the calendar year pursuant to a petition submitted in accordance with Section 1-11-530(D).

Section 1-11-530. (A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the state authority that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by: (i) a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds, and (ii) such other supporting documentation as the state authority may by policy prescribe.

(B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the state authority that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by: (i) a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds, and (ii) such other supporting documentation as the state authority may by policy prescribe.

(C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

(D) An issuing authority seeking an allocation of any remaining unused state ceiling for carry-forward designation must submit to the state authority a petition identifying the types of tax-exempt bonds to which the carry-forward designation will apply. The petition must be accompanied by such other supporting documentation as the state authority may by policy prescribe. Such allocations are not subjected to the provisions of Section 1-11-520(D), (E), and (F).

(E) Notwithstanding any other provision of this article, the state authority may disapprove, reduce, or defer any authorized request or petition for carryforward.

(F) The state authority must periodically furnish to the Joint Bond Review Committee a report of petitions received, along with their dispositions.

Section 1-11-540. Reserved.

Section 1-11-550. (A) An allocation of the state ceiling approved by the state authority is made formal initially by a certificate which allocates tentatively a specific amount of the state ceiling to the bonds for which the allocation is requested. This tentative allocation certificate must specify the state ceiling amount allocated, the issuing authority and the project involved, and the time period during which the tentative allocation is valid. This certificate must remind the issuing authority that the tentative allocation is made final after the issuing authority chairman or other duly authorized official or agent of the issuing authority, before the issue is made, certifies the issue amount and the projected date of issue, as is required by subsection (B) of this section. It also may include other information considered relevant by the secretary of the state authority.

(B) The chairman or other authorized official or agent of an issuing authority issuing any private activity bond for which a portion of the state ceiling has been allocated tentatively shall execute and deliver to the secretary of the state authority an issue amount certificate setting forth the exact amount of bonds to be issued and the projected bond issue date which date must not be more than ten business days after the date of the issue amount certificate and it must be before the state ceiling allocation involved expires. The issue amount certificate may be an executed copy of the appropriate completed form to be submitted to the Internal Revenue Service on the issue or it may be in the form of a letter which

certifies the exact amount of bonds to be issued and the projected date of the issue.

(C) In response to the issuing authority's issue amount certificate required by subsection (B) of this section, the secretary of the state authority is authorized to issue and, as may be necessary, to revise a certificate making final the ceiling allocation previously approved by the state authority on a tentative basis, if the secretary of the state authority determines that:

(1) the issuing authority's issue amount certificate specifies an amount not in excess of the approved tentative ceiling allocation amount;

(2) the issue amount certificate was received prior to the issue date projected and that the certificate is dated not more than ten days prior to the issue date projected; provided, however, that if an issue amount certificate is dated more than ten days prior to the date of issue of the bonds, such certificate shall be void, and a new request must be provided to the secretary of the state authority prior to issuance of the bonds;

(3) the issue date projected is within the time period approved previously for the tentative ceiling allocation; and

(4) the bonds when issued and combined with the total amount of bonds requiring a ceiling allocation included in issue amount certificates previously submitted to the state authority by issuing authorities do not exceed the state ceiling for the calendar year. Except under extraordinary circumstances, the secretary of the state authority shall issue this certificate within two business days following the date the issue amount certificate is received.

(D) In accordance with Section 149(e)(2)(F) of the Internal Revenue Code, the secretary of the state authority is designated as the state official responsible for certifying, if applicable, that certain bonds meet the requirements of Section 146 of the Internal Revenue Code relating to the volume cap on private activity bonds.

(E) Any tentative or final state ceiling allocation granted by the state authority before the effective date of this act remains valid as an allocation of a portion of the volume cap for South Carolina provided under Section 146 of the Internal Revenue Code. The allocations expire in accordance with the law under which they were granted or extended and their validity may be extended or reinstated in accordance with the provisions of Sections 1-11-500 through 1-11-570.

Section 1-11-560. (A) Any state ceiling allocation approved by the state authority is valid only for the calendar year in which it is approved, unless eligible and approved for carry-forward election or unless specified differently in the certificates required by Section 1-11-550.

(B) Unless eligible and approved for carry-forward election or unless specified differently in certificates required by Section 1-11-550, each state ceiling allocation expires automatically if the bonds for which the allocation is made are not issued within ninety consecutive calendar days from the date the allocation is approved by the state authority.

(C) In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the state authority, acting during the period an approved allocation is valid, may but need not extend the period in which an allocation is valid in a single calendar year by thirty-one consecutive calendar days to a total of not more than one hundred twenty-one consecutive calendar days.

(D) In response to a written request by the chairman or other authorized official or agent of an issuing authority, the state authority may but need not reinstate for a period of not more than thirty-one consecutive calendar days in any one calendar year part or all of an allocation approved but not extended previously in accordance with subsection (C) of this section in that same calendar year which has expired. The reinstatement request must certify that the authorized request previously submitted is still true and correct or a new authorized request must be submitted.

(E) A tentative ceiling allocation is canceled automatically if the chairman or other authorized official or agent of the issuing authority fails to deliver the issue amount certificate required by Section 1-11-550 to the secretary of the state authority before the bonds for which the allocation is made are issued.

(F) The chairman or other authorized official or agent of an issuing authority shall advise the secretary of the state authority in writing as soon as is practicable after a decision is made not to issue bonds for which a portion of the state ceiling has been allocated. All notices of relinquishment of ceiling allocations must be entered promptly in the state authority's records by the secretary of the state authority.

(G) Ceiling allocations which are eligible and approved for carry-forward election are not subject to the validity limits of this section. The state authority shall join with the issuing authorities involved in carry-forward election statements to meet the requirements of the Internal Revenue Service.

Section 1-11-570. The state authority may adopt policies and procedures necessary to implement and administer the provisions of this article. All such policies and procedures, and any changes thereto, are subject to review and comment by the Joint Bond Review Committee.

Section 1-11-580. The State Fiscal Accountability Authority shall make quarterly payments on insurance contracts where the annual premium exceeds fifty thousand dollars. The board shall undertake necessary negotiations to implement this requirement. Where fees may be incurred for quarterly rather than annual payments, the State Fiscal Accountability Authority shall determine whether the investment income opportunity is greater or less than proposed fees and shall make the decision which best benefits South Carolina.”

Repeal

SECTION 3. Section 1-11-370 of the 1976 Code is repealed.

Conflicting provisions

SECTION 4. The provisions of Article 3, Chapter 11, Title 1 of the 1976 Code relating to the allocation of state ceiling on issuance of private activity bonds, as amended in this act, shall control if there is any conflict with any other provision of law or regulation, specifically including Regulation 19-103.

Severability

SECTION 5. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

Time effective

SECTION 6. The provisions of this act are effective for allocations of state ceiling beginning January 1, 2022, and thereafter. For the first year of implementation, the state authority may adopt such special procedures as may be necessary to effect the requirements of this act.

Ratified the 12th day of May, 2022.

President of the Senate

Speaker of the House of Representatives

Approved the _____ day of _____ 2022.

Governor

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**Capital Improvements
Joint Bond Review Committee**

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August 20, 2024

Mr. Grant Gillespie
Executive Director
State Fiscal Accountability Authority
Post Office Box 12444
Columbia, South Carolina 29211

Re: Proposed Ceiling Allocation Plan for Calendar Year 2025

Dear Mr. Gillespie:

At its meeting today, the Joint Bond Review Committee reviewed the proposed State Ceiling Allocation Plan for Calendar Year 2025 submitted on behalf of the State Fiscal Accountability Authority for consideration by the Committee pursuant to the provisions of Article 3 of Chapter 11, Title 1 of the South Carolina Code of Laws, which provides for among other things publication by the Authority of a State Ceiling Allocation Plan, subject to the review and comment by the Committee.

The proposed Plan for 2025 assigns percentages to private activity bond purposes permitted by the Internal Revenue Code, subject to certain limitations; provides for periodic allocations equally divided among the periods during the year in which allocations are to be made; provides for competitive criteria to achieve highest value and greatest public benefit; provides for allocation of the private activity bond limit for all issuing authorities in response to authorized requests; and provides for limitations on amounts assigned to authorized requests; all in accordance with the statute.

The provisions of the Plan for 2025 apply to allocations of state ceiling beginning January 1, 2025, and focus on the statutory requirement that awards of limited state resources are made to projects demonstrating highest value and greatest public benefit, as measured by the relationship of the state resources to the measurable benefit of the project. The Plan further provides for recommendations by the South Carolina Department of Commerce and the South Carolina State Housing Finance and Development Authority, as applicable, to the State Fiscal Accountability Authority, which has ultimate discretion and accountability for approval of the allocation of state ceiling to permitted categories and authorized requests.

The Committee determined that the Plan for 2025 as presented complies with the provisions of the statute, and recommends its approval.

Very truly yours,

F. Richard Harmon, Jr.
Director of Research

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF August 27, 2024

ITEM NUMBER 18

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, October 15, 2024, in Room 252, Edgar A. Brown Building.

The Authority is also asked to approve the following schedule of proposed meetings for the State Fiscal Accountability Authority for 2025:

Tuesday, February 4 - 9:30 A.M.

Tuesday, April 1 - 9:30 A.M.

Tuesday, June 10 – 2:00 P.M.

Tuesday, August 26 – 2:00 P.M.

Tuesday, October 14 – 2:00 P.M.

Tuesday, December 9– 2:00 P.M.

AUTHORITY ACTION REQUESTED:

Agree to meet at 2:00 p.m. on Tuesday, October 15, 2024, in Room 252, Edgar A. Brown Building. Additionally, approve the proposed schedule of meetings for calendar year 2025.

ATTACHMENTS: