

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Wednesday, November 9, 2022 – 3:30 P. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
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B.	MINUTES OF PREVIOUS MEETINGS	
C.	REGULAR SESSION	
1.	State Treasurer's Office	Bond Counsel Selection
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3.	Department of Administration, Facilities Management and Property Services	Easements
4.	Department of Administration, Facilities Management and Property Services	College of Charleston Lease of 44,318 square feet at 4750 Goer Drive, North Charleston
5.	Department of Administration, Facilities Management and Property Services	SC Department of Commerce Lease at 1201 Main Street, Suites 1600 and 1740, Columbia, SC
6.	Division of Procurement Services	Audit and Certification – Northeastern Technical College
7.	Clemson University	N/E \$54,000,000 Clemson University, Higher Education Revenue Bonds, Series 2022
8.	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
9.	Clemson University	N/E \$10,500,000 of Clemson University Athletics Facilities Revenue Bonds, Series 2022

STATE FISCAL ACCOUNTABILITY AUTHORITY
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REGULAR SESSION AGENDA INDEX -- Page 2

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
10.	The Medical University of South Carolina	N/E \$25,225,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2022
11.	Executive Director	Unused State Ceiling – Category Reassignment South Carolina State Ceiling Allocation Plan - 2022
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15.	State Fiscal Accountability Authority	Future Meeting

MEETING OF November 9, 2022

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
\$45,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Economic Development Revenue Bonds, Series 2022; Opportunity South Carolina - The Park at Vietti Apartments	Opportunity South Carolina - The Park at Vietti Apartments Conduit: SCJEDA	Parker Poe – Ray Jones, Emily Luther, Emily Zackon, and Ryan Romano	Pope Flynn Group - Joe Lucas	8/23/2022
\$200,000,000; SC JEDA; SC Jobs-Economic Development Authority Healthcare Facilities Revenue Bonds, Series 2022 - Bon Secours Mercy Health, Inc.	Bon Secours Mercy Health, Inc. Conduit: SCJEDA	Haynsworth Sinkler Boyd – Jeremy Cook	Nexsen Pruet – Laurie Becker	8/23/2022
\$60,000,000; SC JEDA; Jobs-Economic Development Authority Economic Development Revenue Bonds, Series 2022; Housing on Merit - Vue at St. Andrews Apartments	Housing on Merit - Vue at St. Andrews Apartments Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther, Emily Zackon, and Ryan Romano	Burr Forman – Michael Seezen and Assatta Williams	8/23/2022
\$55,000,000; SC JEDA; Jobs-Economic Development Authority Economic Development Revenue Bonds, Series 2022; Opportunity South Carolina - The Park At Sondrio Apartments	Opportunity South Carolina - The Park At Sondrio Apartments Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther, Emily Zackon, and Ryan Romano	Pope Flynn Group - Joe Lucas	9/21/2022
\$27,000,000; Multifamily Housing Revenue Bonds; Hope Road Project; Series 2022 (Spartanburg Housing)	Hope Road Development, LP (Hope Road Project) Conduit: Spartanburg Housing	Haynsworth Sinkler Boyd, P.A. – Ronald Scott	Issuer's Counsel to Spartanburg Housing – Horton Law Firm – Bo Campbell	9/19/2022
\$7,600,000 Georgetown County, South Carolina Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2022A	International Paper Company Project Conduit: Georgetown County	McGuire Woods - John Semeniak Burr Forman – Michael Seezen	Burr Forman – Frannie Heizer	9/20/2022

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
\$25,225,000; State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of the Medical University of South Carolina), Series 2022	State of South Carolina (on behalf of the Medical University of South Carolina)	Pope Flynn Group – Bill Musser	South Carolina Attorney General	9/14/2022
\$51,000,000; State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2023	State of South Carolina (on behalf of Clemson University)	Pope Flynn Group – Gary Pope	South Carolina Attorney General	9/14/2022
\$10,500,000; Clemson University Athletic Facilities Revenue Bonds; Series 2023	Clemson University	Pope Flynn Group – Gary Pope	Issuer's Counsel to the University of South Carolina - Chip Hood	9/15/2022
\$54,000,000; Clemson University Higher Education Revenue Bonds; Series 2023	Clemson University	Pope Flynn Group – Gary Pope	Issuer's Counsel to the University of South Carolina - Chip Hood	9/15/2022

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

The State Treasurer advises the State Fiscal Accountability Authority, for informational purposes, of the firms selected and approved for its November 9, 2022 meeting:

CONDUIT/OTHER ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$45,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Economic Development Revenue Bonds, Series 2022; Opportunity South Carolina - The Park at Vietti Apartments	Opportunity South Carolina - The Park at Vietti Apartments Conduit: SCJEDA	Parker Poe -- Ray Jones, Emily Luther, Emily Zackon, and Ryan Romano	Pope Flynn Group - Lucas	8/23/2022
\$200,000,000; SC JEDA; SC Jobs-Economic Development Authority Healthcare Facilities Revenue Bonds, Series 2022 - Bon Secours Mercy Health, Inc.	Bon Secours Mercy Health, Inc. Conduit: SCJEDA	Haynsworth Sinkler Boyd -- Jeremy Cook	Nexsen Pruet -- Laurie Becker	8/23/2022
\$60,000,000; SC JEDA; Jobs-Economic Development Authority Economic Development Revenue Bonds, Series 2022; Housing on Merit - Vue at St. Andrews Apartments	Housing on Merit - Vue at St. Andrews Apartments Conduit: SC JEDA	Parker Poe -- Ray Jones, Emily Luther, Emily Zackon, and Ryan Romano	Burr Forman -- Michael Seezen and Assatia Williams	8/23/2022
\$55,000,000; SC JEDA; Jobs-Economic Development Authority Economic Development Revenue Bonds, Series 2022; Opportunity South Carolina - The Park At Sondrio Apartments	Opportunity South Carolina - The Park At Sondrio Apartments Conduit: SC JEDA	Parker Poe -- Ray Jones, Emily Luther, Emily Zackon, and Ryan Romano	Pope Flynn Group - Lucas	9/21/2022
\$27,000,000; Multifamily Housing Revenue Bonds; Hope Road Project; Series 2022 (Spartanburg Housing)	Hope Road Development, LP (Hope Road Project) Conduit: Spartanburg Housing	Haynsworth Sinkler Boyd, P.A. -- Ronald Scott	Issuer's Counsel to Spartanburg Housing -- Horton Law Firm -- Bo Campbell	9/19/2022
\$7,600,000 Georgetown County, South Carolina Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2022A	International Paper Company Project Conduit: Georgetown County	McGuire Woods - John Semeniak Burr Forman -- Michael Seezen	Burr Forman -- Frannie Heizer	9/20/2022

GENERAL OBLIGATION / REVENUE ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$25,225,000; State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of the Medical University of South Carolina), Series 2022	State of South Carolina (on behalf of the Medical University of South Carolina)	Pope Flynn Group -- Bill Musser	South Carolina Attorney General	9/14/2022
\$51,000,000; State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2023	State of South Carolina (on behalf of Clemson University)	Pope Flynn Group -- Gary Pope	South Carolina Attorney General	9/14/2022
\$10,500,000; Clemson University Athletic Facilities Revenue Bonds; Series 2023	Clemson University	Pope Flynn Group -- Gary Pope	Issuer's Counsel to the University of South Carolina Chip Hood	9/15/2022
\$54,000,000; Clemson University Higher Education Revenue Bonds; Series 2023	Clemson University	Pope Flynn Group -- Gary Pope	Issuer's Counsel to the University of South Carolina Chip Hood	9/15/2022

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 Separate Item: Clemson University
H12.9942: Lehotsky Hall Replacement
- Request: Change Source of Funds and Establish Phase II Full Construction Budget to demolish and rebuild Lehotsky Hall.
- Included in CPIP: Yes – 2022 CPIP Priority 5 of 9 in FY23 (estimated at \$50,000,000)
Phase I Approval: May 2019 (estimated at \$30,000,000) (SFAA)
Phase I Increase
Approval: Approval 2022 (estimated at \$50,000,000)
CHE Approval: 9/1/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
State Institution Bonds				50,000,000	50,000,000
Other, Maintenance & Stewardship	700,000	50,000	750,000	(750,000)	
All Sources	<u>700,000</u>	<u>50,000</u>	<u>700,000</u>	<u>49,250,000</u>	<u>50,000,000</u>

Summary of Work: The project will demolish and rebuild Lehotsky Hall. The new building will include classrooms, offices, laboratories and support spaces. There are two proposed roofing systems being planned for the new building as follows: 1) For non-occupied roof areas, the majority of the roof will be an elastomeric membrane roofing system. 2) For occupied roof areas, the roof system will be an elastomeric membrane roofing system under precast pavers. The facility will be sited adjacent to the Godley-Snell Research Center and across from the Life Sciences Building. Per the university, this location is ideal for the Department of Forestry and Environmental Conservation (FEC) as several FEC research faculty use the animal research facilities and equipment at Godley-Snell and the location provides FEC students with an “outdoor lab” for easy access to Hunnicutt Creek and numerous tree resources nearby. Further, the site allows for a spacious service yard to aid in the frequent movement of tree cuttings, soil samples and other large materials from the Experimental Forest without bringing these materials into the heart of campus.

Rationale: Lehotsky Hall is one of the most energy inefficient buildings on the Clemson campus, per the university. Its building systems are original to the facility, past their useful lives, and do not meet current building code requirements. The fire sprinkler and plumbing systems serving the labs do not meet current codes to ensure occupant safety. Further, the existing building was found to have major environmental, structural and seismic issues.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Facility Characteristics: Lehotsky Hall is 94,000 square feet and was constructed in 1978 (44 years old). The new building to be constructed will be approximately 85,000 square feet. The facility will house the Department of Forestry and Environmental Conservation, Clemson Online, the Office of Teaching Effectiveness/Innovation, Clemson Experimental Forest offices, 4-H Extension offices and governmental partner offices. The replacement facility will be used by approximately 568 students, 38 faculty, 60 staff members and 12 government partners.

Financial Impact: This project will be funded from State Institution Bond Funds. The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$1,925,134 over a 30-year period. The project is expected to result in an increase of \$552,500 (year 1), \$569,075 (year 2), and \$586,147 (year 3), in annual operating expenses. 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 increased from \$738 to \$1,005 for the academic years 2014-2015 to 2021-2022.

Full Project Estimate: \$50,000,000 (internal) funded by State Institution Bonds. Contract execution is expected in April 2023 with construction completion in December 2024.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(b) Project: JBRC Separate Item: Clemson University
H12.9953: Bryan Mall High Rise Renovations

Request: Revise Scope and Establish Phase II Full Construction Budget to renovate the approximately 306,000 square foot 1,450-bed Bryan Mall high-rise residence halls, and to begin the preparatory work on an additional phase that will be requested at a later time to complete renovations of Lever and Manning.

Included in CPIP: Yes – 2022 CPIP Priority 3 of 9 in FY23 (estimated at \$100,000,000)
Phase I Approval: December 2021 (estimated at \$100,000,000) (SFAA)
CHE Approval: 09/01/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Revenue Bonds				52,350,000	52,350,000
Other, Housing Improvement	1,500,000		1,500,000	(1,500,000)	
All Sources	<u>1,500,000</u>		<u>1,500,000</u>	<u>50,850,000</u>	<u>52,350,000</u>

Summary of Work: The focus of this stage of the project is Byrnes Hall. The renovations will include repairing the building envelopes, improving accessibility, installing new fire sprinkler systems, replacing plumbing, HVAC, electrical and roofing systems, and abating hazardous materials. Additionally, the project will include renovating interior spaces, bathrooms and common spaces to accommodate modern student preferences. Approximately 70 interior core bed spaces will be converted into student lounge and programmed space. A new corner and central stairwell will be constructed that will improve functionality and egress. New interior restroom suites will be added with ADA accommodation. The existing SBS-Modified Bitumen membrane roof with Granule-Surfaced Cap Sheet will be replaced with a white 60 mil TPO roofing with a minimum of 4-inch-thick R-20 Polyisocyanurate base insulation board at roof drains or another insulation with similar thickness and equivalent R-Value. The new roof will come with a minimum 20-year material and workmanship warranty.

Rationale: The buildings have had minimal renovations since construction. Many building systems are past their useful lives and the buildings no longer meet the preferences of students in key areas of bathroom privacy, common study, and social space. While maintenance is performed annually on the buildings, the building systems are old, not energy efficient and are not compliant with current code requirements. The interior spaces are not conducive to modern student needs and require updating. The proposed renovations will bring the facilities up to current standards and extend their useful lives for another 40 years.

Facility Characteristics: The three Bryan Mall high rise facilities total 306,000 square feet and were constructed between 1963 (58 years old) and 1972 (49 years old). Byrnes Hall is 102,000 square feet and was constructed in 1970 (52 years old). The roof was installed in 2011 (11 years old) and is being replaced as a part of the proposed complete renovation of the existing building. The roof has not failed. As a result of the Phase I analysis, BOURDREAUX's recommendation that the demolition and new construction scope of work on this project,

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

and the resulting construction traffic that will occur on the roof deck, justifies a complete replacement of this roof versus working to protect, salvage, patch and repair the existing roof. Such work would most likely nullify any remaining warranty period on the existing roof. The facilities have 1,450 bed spaces for freshman housing and a staff of 58, including 54 resident advisors, 2 graduate community directors, and 2 community directors.

Financial Impact: This phase of the project will be funded from Revenue Bonds. The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$1,187,275 over a 30-year period. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has increased from \$924 in 2017-2018 to \$1,005 in 2021-2022.

Full Project Estimate: \$52,350,000 (internal) funded by Revenue Bonds. The total estimated cost to complete Bryan Mall, Lever and Manning is \$100,000,000. Contract execution for this phase of the project is expected in March 2023 with construction completion in August 2024.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (c) Project: JBRC Separate Item: Clemson University
H12.9957: Women's Sports Program Expansion (Gymnastics/Lacrosse)
- Request: Establish Phase II Full Construction Budget to construct new facilities for women's athletics programs, including gymnastics and lacrosse, adjacent to the existing women's rowing facility
- Included in CPIP: Yes – 2022 CPIP Priority 8 of 9 in FY23 (estimated at \$37,000,000)
Phase I Approval: March 2022 (estimated at \$27,500,000) (SFAA)
CHE Approval: 09/01/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Revenue Bonds				10,000,000	10,000,000
Other, Athletic Gifts & Donations	500,000		500,000	26,500,000	27,000,000
All Sources	500,000		500,000	36,500,000	37,000,000

Summary of Work: The project will construct a new approximately 21,000 square foot women's gymnastics training facility. The gym training facility will include coaches' offices, a locker room, a student-athlete lounge, and a sports medicine room. The roof to be installed on this new facility is a Vertical-Rib, Sealed Joint, Standing-Seam Metal Roof Panel System that will come with a 2-year installer's warranty and a 20-year warranty that includes repair or replacement of the metal roof panel system. A 20-year finish warranty is also included. The project will also construct an approximately 9,000 square foot women's lacrosse operations facility and an artificial turf field with stadium seating. The lacrosse operations facility will include coaches' offices, a locker room, a student-athlete lounge, a film room, and a sports medicine room. The roof to be installed on this new facility for the Press Box roof and exposed support area is a Vertical-Rib, Sealed Joint, Standing-Seam Metal Roof Panel System that will come with a 2-year installer's warranty and a 20-year warranty that includes repair or replacement of the metal roof panel system. A 20-year finish warranty is also included. The roof to be installed on this new facility for the non-exposed roofing system over support space beneath bleacher seating, will be a thermoplastic polyolefin (TPO) membrane roofing system that will come with a 1-year installer's warranty and a 20-year warranty that includes repair or replacement of the TPO roof system. An approximately 10,000 square foot addition to the existing rowing center facilities will include amenities for women's gymnastics, lacrosse, and rowing, including strength and conditioning, nutrition, and athlete wellness and recovery areas. Renovation to the exterior and interior of the rowing boathouse is included and will ensure all facilities on site are adequate for use by student-athletes and removal of the existing rowing storage building was deemed necessary to fulfill the space requirements of the project, per the university. The roof to be installed on this new facility is a Vertical-Rib, Sealed Joint, Standing-Seam Metal Roof Panel System that will come with a 2-year installer's warranty and a 20-year warranty that includes repair or replacement of the metal roof panel system. A 20-year finish warranty is also included.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Rationale: Women's gymnastics and women's lacrosse were announced as new sport additions in June 2021.

Facility Characteristics: The new approximately 21,000 square foot women's gymnastics training facility, new approximately 9,000 square foot women's lacrosse operations facility, an approximately 10,000 square foot addition to the existing rowing center facilities, and renovation to the exterior and interior of the rowing boathouse, will be utilized by women's gymnastics, women's lacrosse, and as a women's athlete recovery training center. These facilities will support 135 female student-athletes and provide new competition and training facilities for use by the new additional teams.

Financial Impact: This request will be funded from Revenue Bonds and Athletic Gift & Donation Funds (uncommitted balance \$27 million for this project at 6/30/22) Revenue to the fund are received from individuals, corporations, and other entities that are to be expended for their restricted purposes. The project is expected to result in an increase of \$260,000 (year 1), \$267,800 (year 2), and \$275,834 (year 3), in annual operating expenses. The gymnastics building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$275,906 over a 30-year period. The lacrosse building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$63,533 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 increased from \$738 to \$1,005 for the academic years 2014-2015 to 2021-2022.

Full Project Estimate: \$37,000,000 (internal) funded by Revenue Bonds and Athletic Gifts & Donations. Contract execution is expected in January 2023 with construction completion in December 2023.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(d) Project: JBRC Item 1: Medical University of South Carolina
H51.9872: MUSC Campus Connector Bridges

Request: Establish Phase I Predesign Budget to construct an elevated connector bridge.

Included in CPIP: Yes – 2022 CPIP Priority 8 of 11 in FY23 (estimated at \$34,400,000)

CHE Approval: 09/01/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional Capital Reserves				950,000	950,000
All Sources				950,000	950,000

Summary of Work: The project will construct an elevated connector bridge adjacent to Doughty Street from the 2nd floor of the Ashley River Tower to the 2nd floor of the Bioengineering Building. Connections from this Doughty Street bridge will also be made at the 2nd floors of the Thurmond Gazes Building and the Psychiatric Building. A separate connector bridge will be constructed from the 2nd floor of the College of Nursing Building to the 2nd floor of the Clinical Sciences Building. Once completed, all major campus buildings will be connected together at the 2nd floor level. This project will also relocate the existing underground swisslog tube system to the new connector bridge. This tube system is essential to hospital lab operations and is compromised by its underground location, per the university.

Rationale: The Charleston Medical District is spread out over 80+ acres and is located within the 100-year floodplain. The entire area is prone to flooding during storm events including hurricanes/tropical storms, heavy rain events, and sometimes even during normal high tide events. Once completed, the elevated walkway project will allow patients, care team members, and supplies to move freely from building to building during storm and flood events. This project will connect the entire MUSC Health campus network and provide safe passage to any emergency rooms or adult Level 1 Trauma centers via the helipad located on top of the Sean Jenkins Children's Hospital.

Facility Characteristics: The new connector bridges will total approximately 37,000 square feet and will be utilized by approximately 3,000 to 5,000 students, patients, faculty, and staff daily, with additional faculty and staff utilizing the bridge on a more ad hoc basis.

Financial Impact: This phase of the project will be funded from Institutional Capital Reserve Funds (uncommitted balance \$1.45 million at July 19, 2022) Revenue to this fund is excess debt service funds and remaining balances from closed projects. The project is expected to result in an increase of \$200,000 (years 1 thru 3), in annual operating expenses. 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: \$34,399,710 (internal) funded by Institutional Capital Project Reserve Funds. Phase II will be funded by \$24,079,797 in FEMA Grant (Building Resilient Infrastructure &

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Communities), and \$9,369,913 in Federal CARES Act Coronavirus Relief Funds received from the state as reimbursement for COVID-19 related expenses.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (e) Project: JBRC Separate Item: Medical University of South Carolina
H51.9854: College of Health Professions President Street Academic Building
- Request: Establish Phase II Full Construction Budget to construct a six story, approximately 89,000 gross square foot building on President Street.
- Included in CPIP: Yes – 2022 CPIP Priority 1 of 11 in FY23 (estimated at \$50,000,000)
Phase I Approval: December 2021 (estimated at \$40,000,000) (SFAA)
CHE Approval: 09/01/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
State Institution Bonds				25,225,000	25,225,000
Other, Institutional Capital Reserves	600,000		600,000	4,400,000	5,000,000
Other, CHP Clinical Reserves				19,775,000	19,775,000
All Sources	<u>600,000</u>		<u>600,000</u>	<u>49,400,000</u>	<u>50,000,000</u>

Summary of Work: The building will be constructed north of the Bioengineering building. It will include 5,000 square feet of research space, a 6,000 square foot auditorium, 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. An elevated pedestrian bridge is included connecting to the 2nd floor of the existing Bioengineering building.

Rationale: The new facility is needed to support growth of the various academic programs within the College of Health Professions.

Facility Characteristics: The new facility will be 89,000 gross square feet and will support the Bachelor of Science in Healthcare Studies, Health Administration (Masters 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 Proposed Genetic Counseling Program (pending CHE approval with potential start date of Fall 2023). Per the university, the current College of Health Professionals student body of approximately 800 students is expected to increase 20% over the next four years and is projected as follows: Physician Assistant Studies program, from 60 to 97 students; New Speech Language Pathology Program (first cohort of 43 students matriculated in Fall 2021); Proposal and development of a Genetic Counseling program. The facility will be accessible by students, faculty, staff and MUSC constituents.

Financial Impact: This phase of the project will be funded from Institution Bonds, Institutional Capital Reserves (uncommitted balance \$7.26 million at July 19, 2022), and College of Health

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Professional Clinical (CHP) Revenues (uncommitted balance \$20 million at July 19, 2022). Revenue to the Institutional Capital Project Reserve Fund is excess debt service funds and remaining balances from closed projects. Revenue to the CHP Clinical Reserves Fund is derived from clinical revenue generated by patient services. 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 \$631,000 (years 1 thru 3), in annual operating expenses. 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: \$50,000,000 (internal) funded by State Institution Bonds, CHP Clinical Revenues, and Institutional Capital Reserve Funds. Contract execution is expected in June 2023 with construction completion in December 2024.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (f) Project: JBRC Item 2: Horry Georgetown Technical College
H59.6221: Renovation/Expansion of Grand Strand Building 100
- Request: Establish Phase I Pre-Design Budget to renovate and expand Building 100 on its Grand Strand (former Air Force Base) Campus.
- Included in CPIP: Yes – 2022 CPIP Priority 1 of 3 in FY23 (estimated at \$15,000,000)
CHE Approval: 08/05/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College				225,000	225,000
All Sources				<u>225,000</u>	<u>225,000</u>

Summary of Work: The project will renovate the existing building and construct an additional 10,000 square feet of instructional and applied learning space by adding a second floor to the existing gymnasium by utilizing the high ceilings without impacting the existing exterior walls or roof systems. Various classroom and simulation/lab spaces, IT closets, study areas, stairwells, and restrooms will be added in the existing gym space (totaling 20,000 square feet). In the existing 4,400 square foot (one-floor) space, the College will renovate and upfit that space to include faculty/staff offices, meeting spaces with A/V technology, an IT closet, and larger restrooms. The project will require a comprehensive upgrade to the existing HVAC and air handling systems. Extensive mechanical/electrical/plumbing work to accommodate the health sciences programs in the building such as nursing, imaging sciences, multi-disciplinary simulation labs, and cardio-vascular imaging equipment and related technologies will also be required.

Rationale: The college seeks to increase enrollment in its nursing and health-sciences programs. Building 100

Facility Characteristics: Building 100 is 14,122 square feet and was constructed in 1992 (30 years old). The addition will add an additional 10,000 square feet, bringing the total square footage up to 24,122. The building was originally a gymnasium and youth center when the property was owned and operated by the Myrtle Beach Air Force Base but is currently not utilized. The proposed facility will be dedicated to expanding the college's nursing, imaging sciences, physical therapy, and EMT programs. The facility will be utilized by 525 students, faculty, staff, and clients annually.

Financial Impact: This phase of the project will be funded from College Funds (uncommitted balance \$44.8 million at July 31, 2022). Revenue to this fund is defined as the excess of revenues over expenses accumulated over time for the purpose of funding capital projects, major renovations, and for meeting local matching requirements. The project is expected to result in an increase of \$54,683 (year 1), and \$109,367 (years 2 and 3), in annual operating expenses. No student fees or tuition will be increased because of the project. Currently, no portion of tuition is designated for capital improvements.

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SUBJECT: Permanent Improvement Projects

Full Project Estimate: \$15,000,000 (internal) funded by College Funds. Phase II will be funded by \$10,000,000 in FY23 Appropriated State, Proviso 118.19 (nonrecurring), and \$5,000,000 in College Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(g) Project: JBRC Item 3: Northeastern Technical College
H59.6222: NETC Cheraw Campus Schaeffler Manufacturing Technology Academy

Request: Establish Phase I Pre-Design Budget to construct an industrial building on the NETC Cheraw Campus.

Included in CPIP: Yes – 2022 CPIP Priority 4 of 4 in FY24 (estimated at \$5,600,000)

CHE Approval: 07/05/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY17 Proviso 118.16 (23)(n) (FY20 Proviso 25.12)				52,500	52,500
All Sources				<u>52,500</u>	<u>52,500</u>

Summary of Work: The project will construct a 27,520 square foot industrial building to be used by the Schaeffler Group, USA for the NETC Schaeffler Apprenticeship Program. The new building will be brick and mortar, with a metal roof. The building will be designed to meet Two Green Globe certification standards. The new building will replace buildings 600 and 700. Buildings 600 and 700 will be demolished in non-pip project (H59-N176-MJ), for an estimated cost of \$200K, that will be fully funded by Chesterfield County. As of August 18, 2022, Chesterfield County has transferred the funds to cover the demolition cost of the two buildings to the college. The college has worked with the state engineer's office to hire an architectural firm, engineering site surveyor, and asbestos surveyor to allow NETC to bid the removal and demolition of the two buildings. The demolition will be completed no later than March 2023.

Rationale: Renovation of buildings 600 and 700 would cost more than constructing a new building to bring them into compliance with current building codes, add additional bathrooms, and make major repairs, per the college. The configuration of the existing buildings to convert into a flexible space for training would have required the removal of walls and major reconstruction to get the same amount of space compared to the new building.

Facility Characteristics: Building 600 is 9,220 square feet, and Building 700 is 5,225 square feet, and both were constructed in the 1970's (52 years old). The new building to be constructed will be for the Schaeffler Manufacturing Technology Academy to provide a flexible space to teach multiple courses for the workforce. It is estimated that 100+ students, and 10+ staff will use the facility as the program increases.

Financial Impact: This phase of the project will be funded from FY17 Appropriated State Funds, Proviso 118.16 (nonrecurring) Funds (uncommitted balance \$3.5 million at June 7, 2022) and redirected in FY20 Proviso 25.12. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased because of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: \$5,600,000 (internal) funded by Appropriated State, Proviso 118.16 (nonrecurring) Funds. The college is requesting \$2,100,000 in the FY23-24 Budget Request process to

AGENCY: Department of Administration, Executive Budget Office

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complete the funding needed to fully complete the construction of this project. If this funding is not received, the college will be unable to fund the entire project unless EDA grant funds could be secured.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(h) Project: JBRC Item 4: Spartanburg Community College
H59.6148: Spartanburg-Powers Building Renovations

Request: Increase Phase II Full Construction Budget to add funding to the project to complete final design, and to complete construction for the final renovations to the Central Campus Powers Building.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 2 in FY23 (estimated at \$6,765,703)
Phase II Approval: February 2019
(this phase estimated at \$448,000 – total estimated for all phases \$4,176,000) (JBRC)

Phase II Decrease &
Revise Scope Approval: November 2019
(this phase estimated at \$421,446 – total estimated for all phases \$4,176,000) (Admin)

Phase II Increase
Approval: February 2020
(this phase estimated at \$466,446 – total estimated for all phases \$4,176,000) (JBRC)

Phase II Increase
Approval: December 2020
(this phase estimated at \$3,387,446 – total estimated for all phases \$5,968,446) (SFAA)

Phase II Increase &
Revise Scope Approval: April 2022
(this phase estimated at \$3,445,946 – total estimated for all phases \$6,312,446) (SFAA)

CHE Approval: 09/01/22

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 (o)				1,449,367	1,449,367
Other – College	448,000	2,997,946	3,445,946	1,870,390	5,316,336
All Sources	<u>448,000</u>	<u>2,997,946</u>	<u>3,445,946</u>	<u>3,319,757</u>	<u>6,765,703</u>

Summary of Work: Due to funding availability the college is seeking approval of the work as a PIP in phases. This phase of the project will complete final design and construction of the following: 1) A-Wing HVAC system and finish upgrades from unit ventilator and fan coil systems to a variable air volume (VAV) system to include mechanical HVAC reconfiguration, lighting, and finish upgrades. 2) B-Wing Roof Replacement to include removing the existing Built-Up roof and reroofing with a .060 TPO membrane roof. 3) D-Wing Roof Replacement to include removing the existing Built-Up roof and reroofing with a .060 TPO membrane roof. The new roofs will come with a 20-year material and workmanship warranty. The B-Wing HVAC system and finish upgrades, B-Wing laboratory renovations and equipment/furnishings, and the C-Wing Roof Replacement have all been completed.

Rationale: This building is the dominant classroom building for the college and requires comprehensive sequential renovation of offices, classrooms, labs, and restrooms to meet acceptable workplace and educational instruction standards. It is not feasible to close

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this building for extended periods of time nor does the college have undesignated funds that would be necessary for all the needed renovations and deferred maintenance at one time.

Facility Characteristics: The 74,185 square foot three (3) wing building was constructed in 1969 (53 years old), with an addition added in 1973 (49 years old). The C-Wing roof was installed in 1992 (30 years old). The campus is utilized by 41 faculty and staff, and 1600+ students.

Financial Impact: The project will be funded from FY20 Appropriated State (nonrecurring) (uncommitted balance \$1,605,842 at September 7, 2022), and College Funds (uncommitted balance \$5.83 million at August 23, 2022). Revenue to the fund is total revenue and fund balance less college capital expenses less college plant fund carryforward projects resulting in the remaining college revenue and fund balance. The project is expected to result in a decrease of \$18,560 (year 1), \$19,670 (year 2), and \$20,850 (year 3) in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$161 per student per semester, and has not increased from academic year 2017-2018.

Full Project Estimate: \$6,765,703 (internal) funded by Appropriated State and College Funds. Contract execution for this portion of the project is expected in March 2023 and completion of construction in July 2023. The estimated cost to complete this project has increased from the previous estimate because it is an evolving project that is being implemented over time. The engineering estimate for this proposed portion of the project is now \$3,378,257 with the OSE requirements.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (i) **Project:** JBRC Item 5: Trident Technical College
H59.6224: Berkeley Campus Renovation - Transportation and Logistics Center
- Request:** Establish Phase I Pre-Design Budget to re-purpose the main building on the Berkeley campus into a high-tech training facility.
- Included in CPIP:** Yes – 2022 CPIP Priority 1 of 1 in FY24 (estimated at \$34,133,144)
- CHE Approval:** 07/15/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Proviso 118.18 (27)(v)				511,997	511,997
All Sources				<u>511,997</u>	<u>511,997</u>

Summary of Work: The project will renovate the entire building and add approximately 4,600 square foot of additional space. The interior renovations include renovating 5 training classrooms and 6 offices, creating a large flexible classroom space and creating a records storage room. For shop training, the high bay space will be renovated, as well as the shop space. Maintenance and repair work will include HVAC replacement, upgrading electrical distribution, removing a skylight, replacing exterior split brick, replacing flooring, doors, door locks and hardware, replacing ceiling tile and grid, upgrading sewer line, renovating bathrooms, upgrading the fire alarm system and expanding the existing kitchen. Exterior renovations include road training space by renovating the existing driving pad, constructing an additional driving pad, improving campus roads, construction of a loading dock simulation, adding security fencing, cameras, and alarms, upgrading existing streetlights, and adding additional streetlights. The front entrance will also be renovated.

Rationale: This economic development project addresses the challenge of providing transportation, distribution and logistics (supply chain) services to the region by accommodating the workforce needs of diverse employment sectors, per the college. This project will re-purpose the outdated 40-year-old main building to serve the transportation and supply chain needs of existing and new industries within the logistics sector including transportation and air freight providers as well as warehouse and distribution centers. Additional high-bay training spaces and labs are required to help meet new industry demands and the growing manufacturing plants located nearby.

Facility Characteristics: The 79,141 square foot building was constructed in 1982 (40 years old). The roof was replaced in 2008 (14 years old) and will be evaluated during the Phase I process. Some components of the HVAC equipment have been replaced over the years, but much of the current equipment is over 20 years old, beyond its useful life, and failing. Restrooms were renovated 8 years ago. The remaining components, including electrical and plumbing are as old as the building. The building is utilizing by 1,875 students, 25 faculty, and 8 staff.

Financial Impact: This phase of the project will be funded from FY22 Appropriated State (nonrecurring) (uncommitted balance \$5 million at July 11, 2022). The project is expected to result in

AGENCY: Department of Administration, Executive Budget Office

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an increase of \$26,113 (year 1), \$26,897 (year 2), and \$27,704 (year 3) in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$196 per student per semester, and has increased from \$170 in academic year 2014-2015.

Full Project Estimate: \$34,133,144 (internal) funded by FY22 Appropriated State (nonrecurring) Funds. Phase II will be funded by \$21,306,515 in FY22 Appropriated State, \$6,000,000 in FY23 Appropriated State, and \$6,826,629 in College Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (j) **Project:** JBRC Item 6: Department of Administration
D50.6101: Blatt Replace VAV Terminal Hot Water Reheat - 4th Floor
- Request:** Establish Phase I Pre-Design Budget to replace the VAV units on the 4th floor of the Soloman Blatt Building.
- Included in CPIP:** Yes – 2022 CPIP Priority 5 of 24 in FY23 (estimated at \$1,100,000)
- CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve				18,968	18,968
All Sources				<u>18,968</u>	<u>18,968</u>

Summary of Work: The project will involve replacing 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 4th floor. All light fixtures will also be replaced with LED fixtures and a new acoustical ceiling system will be installed.

Rationale: The equipment and ductwork are 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, with the 4th floor being approximately 27,795 gross square feet and was constructed in 1978 (44 years old). The building houses 80 to 100 year-round SC House of Representatives staff, and from January to July each year the number increases to approximately 330.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$5.28 million at August 8, 2022). 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: \$1,264,509 (internal) funded by Depreciation Reserve Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (k) Project: JBRC Item 8: Department of Administration
D50.6103: SC State House AHU#1, Level 1 VAVs, Controls System
- Request: Establish Phase I Pre-Design Budget to replace all VAV's and to rebuild AHU#1 in the SC State House.
- Included in CPIP: Yes – 2022 CPIP Priority 15 of 24 in FY23 (estimated at \$1,690,671)
- CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State				336	336
Other, Depreciation Reserve				26,178	26,178
All Sources				<u>26,514</u>	<u>26,514</u>

Summary of Work: The project will replace all 34 VAV's in the crawlspace of the SC State House as well as rebuild Air Handler Unit #1 in the basement. This equipment supplies heating and air to the first floor of the State House. This project will also include replacing and upgrading the current Honeywell HVAC controls system for the entire building.

Rationale: This equipment was part of the 1997 renovation and has reached the end of its useful life. The controls software is obsolete and parts to repair this equipment are increasingly difficult to obtain, per the agency.

Facility Characteristics: The SC State House Building is approximately 164,880 gross square feet and was constructed in 1851 (171 years old), with the building being completely renovated in 1997 (25 years ago). The State House is utilized by the Senate, House of Representatives, Legislative Council, Legislative Services Agency, Governor's Office, Lieutenant Governor's Office, Department of Public Safety and Parks Recreation & Tourism. According to SC Parks, Recreation & Tourism the average number of visitors to the SC State House is 110,000 annually.

Financial Impact: This phase of the project will be funded from Appropriated State (uncommitted balance \$336 at August 10, 2022) and Depreciation Reserve Funds (uncommitted balance \$5.17 million at August 10, 2022). Revenues received to the Depreciation Reserve account 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: \$1,690,671 (internal) funded by Appropriated State and Depreciation Reserve Funds. Phase II will be funded by FY22 Appropriated State (nonrecurring), FY20 Capital Reserve, and Depreciation Reserve Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (l) **Project:** JBRC Item 10: Department of Administration
D50.6080: Sims/Aycock Building - Parking Lot Repair/Replacement (Annualized)
- Request:** Change Project Name, Revise Scope, and Increase Phase II Full Construction Budget to add the second annualized phase of the Sims/Aycock Building parking lot improvements, located at 2600 Bull Street in Columbia.
- Included in CPIP:** Yes – 2022 CPIP Priority 6 of 24 in FY23 (estimated at \$846,000)
Phase I Approval: September 2021 (estimated at \$236,130) (JBRC Staff)
Phase II Approval: June 2022 (estimated at \$329,000) (JBRC)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	28,000	301,000	329,000	690,000	1,019,000
All Sources	<u>28,000</u>	<u>301,000</u>	<u>329,000</u>	<u>690,000</u>	<u>1,019,000</u>

Summary of Work: The project will be completed in three (3) annualized phases, and additional funding will be requested to be added to the project in the future for subsequent years. The first annualized phase has been approved for final design and construction and included completing all engineering and geo-technical work associated with all phases of the project. Actual construction in the first annualized phase will address the visitor parking area located on the west side of the building, along Bull Street, and the employee parking, located on the south side of the building in between the DSS North Tower and Sims/Aycock Building. The second annualized phase includes completion of the final design and construction of the staff parking area located on the north side of the Sims/Aycock Building, at the intersection of Bull Street and Harden Street Extension.

Rationale: The asphalt is past its life expectancy, is in poor condition, and is a trip hazard to the customers and employees that utilize the building daily.

Facility Characteristics: The Sims/Aycock Building has approximately 380,376 square feet of asphalt paved parking area and approximately 62,676 square feet of the asphalt paved parking area will be repaved. The building was constructed in 1965 (57 years old) and the asphalt appears to be original to the building. The building is utilized by approximately 500 SCDHEC personnel and various visitors annually.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$2.14 million at April 22, 2022). 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: \$1,019,000 (internal) funded by Depreciation Reserve Funds. The total estimated cost of all three annualized phases is \$1,450,000. Contract execution for the first phase of the project is expected in November 2022 and completion of construction in April 2023. Contract execution for this phase of the project is expected in February 2023 and completion of construction in August 2023.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(m) Project: JBRC Item 11: Office of the Adjutant General
E24.9812: Statewide Readiness Center Female Latrines

Request: Increase Phase II Construction Budget for the construction of Hartsville and Wellford, as well as for the design cost for Eastover.

Included in CPIP: Yes – 2022 CPIP Priority 6 of 24 in FY23
(this portion estimated at \$882,000 & estimated at \$5,677,200 for all 12 facilities)

Phase I Approval: August 2018 (estimated at \$2,233,435 for all 12 facilities) (SFAA)

Phase II Approval: April 2019 (estimated at \$2,450,000 for all 12 facilities) (SFAA)

Phase II Increase Approval: February 2020 (estimated at \$2,650,000 for all 12 facilities) (SFAA)

Phase II Increase Approval: December 2020 (estimated at \$2,650,000 for all 12 facilities) (SFAA)

Phase II Increase Approval: March 2021 (estimated at \$3,850,000 for all 12 facilities) (SFAA)

Phase II Increase Approval: October 2021 (estimated at \$2,650,000 for all 12 facilities) (SFAA)

Phase II Increase Approval: January 2022 (estimated at \$2,172,349 for all 12 facilities) (SFAA)

Phase II Increase Approval: May 2022 (estimated at \$3,645,200 for all 12 facilities) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State	12,500	695,952	708,452	200,308	908,760
Federal, National Guard Bureau	37,500	1,649,248	1,686,748	600,924	2,287,672
All Sources	<u>50,000</u>	<u>2,345,200</u>	<u>2,395,200</u>	<u>801,232</u>	<u>3,196,432</u>

Summary of Work: The project was established to renovate and expand existing female latrines in various readiness centers across the state. The initial group of readiness centers include North Charleston, Walterboro, Wellford, Abbeville, Hartsville, Saluda, Newberry, Batesburg, Kingstree, Seneca, West Columbia, and Rock Hill. The North Charleston, Edgefield, Rock Hill, Saluda, Newberry, Saluda and Kingstree facilities have been completed. Designs are complete for Hartsville, Wellford and Abbeville. West Columbia and Walterboro are currently being renovated. The funds in this request will be used construction of Hartsville and Wellford, as well as for the design cost for Eastover. The scope of work includes renovating existing female latrine and constructing additional authorized space to include new utilities and fixtures, along with any required mechanical, electrical and plumbing work.

Rationale: Due to the rising number of female soldier's adequate latrine space is needed. Per NG Pam 415-12, the assigned unit(s) are authorized 2,000 square feet of latrine space. This project will allow the female soldiers to have the required number of facilities (toilets, showers, changing areas) they need to conduct training.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Facility Characteristics: Each female latrine is 72 square feet to 339 square feet and was constructed from 1958 to 1989 (33 years to 64 years old).

Financial Impact: The project will be funded with Appropriated State Funds (uncommitted balance \$2 million at August 10, 2022) and Federal, National Guard Bureau Funds (uncommitted balance \$2.1 million at August 10, 2022). Revenue to this 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 \$1,500 (year 1), \$1,500 (year 2), and \$3,000 (year 3) in annual operating expenses.

Full Project Estimate: \$3,196,432 (internal) for this phase of the project with an estimated cost of \$5,677,200 (internal) (for all 12 facilities), funded by Appropriated State and National Guard Bureau Funds. Contract execution for Hartsville and Wellford is expected in November 2022 and completion of construction in April 2023. Construction completion for West Columbia is expected in December 2022. Construction completion for Walterboro is expected in March 2023.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(n) Project: JBRC Item 13: Department of Mental Health
J12.9807: Coastal Empire Community MHC HVAC, Sprinkler System, and Fire Alarm Replacement

Request: Establish Phase II Full Construction Budget to replace HVAC, sprinkler system and fire alarm system at the Coastal Empire Mental Health Center in Beaufort.

Included in CPIP: Yes – 2022 CPIP 2 of 48 in FY23 (estimated at \$1,600,000)
Phase I Approval: December 2021 (estimated at \$1,600,000) (SFAA)
CHE Approval: N/A

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

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

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

Facility Characteristics: The Coastal Empire Mental Health Center is 16,766 square feet and was constructed in 1995 (27 years old). All the building components are original to the building. The facility has 45 staff and serves 26 patients per day and provides an average of 83 services per day during normal business hours.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$14.1 million at July 18, 2022). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$1,500 (year 1), and \$2,500 (years 2 and 3) in annual operating expenses.

Full Project Estimate: \$1,600,000 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in January 2023 and completion of construction in December 2023.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(o) Project: JBRC Item 14: Department of Mental Health
J12.9810: Tucker Whole Building Generators for Stone, Roddey and Roddy Support Buildings

Request: Establish Phase II Full Construction Budget to get the 3 operational buildings on the Tucker campus on a backup generator.

Included in CPIP: Yes – 2022 CPIP 5 of 48 in FY23 (estimated at \$3,330,000)

Phase I Approval: December 2021 (estimated at \$3,035,000) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	45,525		45,525	3,254,475	3,300,000
All Sources	<u>45,525</u>		<u>45,525</u>	<u>3,254,475</u>	<u>3,300,000</u>

Summary of Work: The project will get the 3 operational buildings (Stone, Roddey & Roddey Support), on the Tucker campus on a backup generator. A feasibility study was commissioned, and it was determined that it will cost around \$1 million for each building to have a generator large enough to power each building.

Rationale: It has been an agency goal to get all nursing homes on 100% emergency backup power. Other options have been explored, such as having a docking port installed on each building, but the generators would have to be large, and the fuel consumption would be significant depending on the season. Rental solutions were determined to be equal to a prorated loan and the agency would not own the equipment when it was over.

Facility Characteristics: The 3 buildings (Stone, Roddey and Roddey Support), are located on the C. M. Tucker Nursing Care Center Campus in Columbia. The Stone Pavilion is 45,684 square feet and was constructed in 1971 (51 years old). The facility currently houses 90 long-term nursing care military veterans along with 120 staff and support personnel. The Roddey Pavilion is 111,534 square feet and was constructed in 1983 (39 years old). The facility is home to 170+ inpatient nursing home clients and over 200 staff that occupy the building on a 24/7 basis. The Roddey Support Building is 11,305 square feet and was constructed in 1983 and 1996 (39 and 26 years old). The facility houses linens and supplies for the Stone and Roddey Nursing Homes. Roddey Support also has the campus Energy Center including chillers and boilers vital to the operation of Stone and Roddey Nursing Homes. This facility houses around 20 staff.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$14.1 million at July 18, 2022). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in an increase of \$1,000 (year 1), and \$1,500 (years 2 and 3) in annual operating expenses.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Full Project Estimate: \$3,300,000 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in January 2023 and completion of construction in December 2023.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(p) Project: JBRC Item 15: Department of Mental Health
J12.9816: Gaffney MHC Interior Renovations

Request: Revise Scope and Establish Phase II Full Construction Budget to repair and renovate the recently acquired building to become the new Cherokee Mental Health Center.

Included in CPIP: Yes – 2022 CPIP Priority 9 of 48 in FY23 (estimated at \$1,107,515)

Phase I Approval: December 2021 (estimated at \$239,000) (JBRC Staff)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	3,585		3,585	1,103,930	1,107,515
All Sources	<u>3,585</u>		<u>3,585</u>	<u>1,103,930</u>	<u>1,107,515</u>

Summary of Work: The original project scope of work included interior renovations and repair work to adapt the building to the needs of the new occupants. During the Phase I process it was determined that additional work is needed to update the building which will require fewer projects and maintenance over the next 20 years. The revised project scope will include lobby improvements for security, patient diagnosis/treatment rooms will receive sound attenuation and HVAC, lighting, electrical/communications will all be renovated to accommodate the addition of the private offices created from the large open space being divided up to comply with confidentiality and HIPPA rules. Ceiling insulation was not to code and will be replaced by a closed cell spray polyurethane on the underside of the roof deck. The fire alarm will be replaced, and a security system will be installed with access control.

Rationale: The building currently has a very open concept and is not conducive to patient privacy or security. Completing this project will provide a facility that can serve the patients and clients of the Gaffney area.

Facility Characteristics: The SCDMH purchased the 6,435 square building that was constructed in 1990 (32 years old) in 2020 for \$275,000 in project J12-9784. The Cherokee Mental Health Center provides programs for adult and child services, school based mental health services and telepsychiatry. The facility will have 2-3 doctors, 3 nurses, with 20 total staff and will see 800 patients a year.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$14.1 million at July 18, 2022). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$26,400 (year 1), and \$52,800 (years 2 thru 3), in annual operating expenses.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Full Project Estimate: \$1,107,515 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in January 2023 and completion of construction in December 2023.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(q) Project: JBRC Item 20: Department of Corrections
N04.9785: Livesay - B - Add AC to Dorms N-2, N-3 & N-4

Request: Establish Phase I Pre-Design Budget to add air conditioning to dorms at Livesay Correctional Institution.

Included in CPIP: No – This project was not included in the 2022 CPIP submission because the focus has been to concentrate on higher security institutions for the installation of AC before lower security institutions. Livesay is a work camp and minimum-security facility, so this institution did not originally fall within the 5-year plan of the CPIP. However, with the projected savings realized from the revised estimate for Wateree River CI - Add AC to Dorms 1, 2 & 4, the funds will be redirected to fund this project.

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward				30,000	30,000
All Sources				<u>30,000</u>	<u>30,000</u>

Summary of Work: The project scope will add air conditioning to Dorms N-2, N-3 & N-4 and will include the addition of new-air handlers, duct work and electrical upgrades to run the new equipment. The work will be accomplished by a general/mechanical contractor.

Rationale: All three dorms were designed and constructed with heat and ventilation only. The addition of AC to the dorms will increase the habitability and comfort for the inmates which improves security and safety while also increasing the building systems life span by controlling the humidity inside, per the agency.

Facility Characteristics: Dorms N-2, N-3 & N-4 are of the same design, total 18,252 square feet and were constructed in 1973 (49 years old). Each housing unit accommodates 144 inmates and 3 staff.

Financial Impact: The project will be funded from Appropriated State, FY22 Carryforward Funds (uncommitted balance \$47.96 million on August 8, 2022). The project is expected to result in an additional annual operating costs, but those amounts have not been determined at this time.

Full Project Estimate: \$2,000,000 (internal) funded by Appropriated State, FY22 Carryforward Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (r) Project: JBRC Item 21: Department of Corrections
N04.9786: Turbeville & Kershaw CI - Add Air-Conditioning to 256 Bed Housing Units
- Request: Establish Phase I Pre-Design Budget to add air conditioning to two housing units located at Turbeville Correctional Institution and Kershaw Correctional Institution.
- Included in CPIP: Yes – 2022 CPIP Priority 10 of 10 in FY23 (estimated at \$8,000,000)
- CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward				120,000	120,000
All Sources				<u>120,000</u>	<u>120,000</u>

Summary of Work: The project scope will add air conditioning to both buildings and will include the addition of a chiller, new air-handlers, duct work and electrical upgrades to run the new equipment. The work will be accomplished by a general/mechanical contractor.

Rationale: The housing units were designed and constructed with heat and ventilation only.

Facility Characteristics: Each of the 256 bed housing units is 29,470 square feet and were constructed in 2003 (19 years old). Each housing unit accommodates 256 inmates and 3 staff.

Financial Impact: The project will be funded from Appropriated State, FY22 Carryforward Funds (uncommitted balance \$47.96 million on August 8, 2022). The project is expected to result in an additional annual operating costs, but those amounts have not been determined at this time.

Full Project Estimate: \$8,000,000 (internal) funded by Appropriated State, FY22 Carryforward Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (s) Project: JBRC Item 22: Department of Corrections
N04.9787: Wateree River CI - Add AC to Dorms 1, 2 & 4
- Request: Establish Phase I Pre-Design Budget to add air conditioning to dorms at Wateree Correctional Institution.
- Included in CPIP: Yes – 2022 CPIP Priority 9 of 10 in FY23 (estimated at \$6,000,000)
- CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward				90,000	90,000
All Sources				<u>90,000</u>	<u>90,000</u>

Summary of Work: The project scope will add air conditioning to Dorms 1, 2, & 4 and will include the addition of new-air handlers, duct work and electrical upgrades to run the new equipment. The work will be accomplished by a general/mechanical contractor.

Rationale: All three dorms were designed and constructed with heat and ventilation only. The addition of AC to the dorms will increase the habitability and comfort for the inmates which improves security and safety while also increasing the building systems life span by controlling the humidity inside, per the agency.

Facility Characteristics: Dorms 1 & 2 are approximately 12,818 square feet each and were constructed in 1982 (40 years old). Dorm 4 is approximately 13,631 square feet and was constructed in 1991 (31 years old). Each housing unit accommodates 288 inmates and 9 staff.

Financial Impact: The project will be funded from Appropriated State, FY22 Carryforward Funds (uncommitted balance \$47.96 million on August 8, 2022). The project is expected to result in an additional annual operating costs, but those amounts have not been determined at this time.

Full Project Estimate: \$4,000,000 (internal) funded by Appropriated State, FY22 Carryforward Funds.

Other: The estimate cost to complete the project has decreased from the 2022 CPIP submission due to the determination that more existing duct work can be used than originally anticipated. In addition, two other upgrades at Wateree CI that are ongoing including a new campus wide fire alarm and electrical upgrades will keep from having to update those systems with this project to ensure code compliance. These factors helped to reduce the projected cost.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

SFAA Items - November 9, 2022

JBRC Item	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)
Sep. H12	Clemson University	Lehotsky Hall Replacement	9942	Lehotsky Hall Replacement	Establish Phase II	Yes	750,000	49,250,000	750,000	50,000,000	State Institution Bonds
Sep. H12	Clemson University	Bryan Mall High Rise Renovations	9953	Bryan Mall High Rise Renovations	Establish Phase II	Yes	1,500,000	50,850,000	1,500,000	100,000,000	Revenue Bonds
Sep. H12	Clemson University	Women's Sports Program Expansion (Gymnastics/Lacrosse)	9957	Women's Sports Program Expansion (Gymnastics/Lacrosse)	Establish Phase II	Yes	500,000	36,500,000	500,000	37,000,000	Revenue Bonds / Athletic Gifts and Donations
1	H51	Medical University of South Carolina	9872	MUSC Campus Connector Bridges	Establish Phase I	Yes	-	950,000	950,000	34,399,710	Other - Institutional Capital Project
Sep. H51	Medical University of South Carolina	College of Health Professions President Street Academic Building	9854	College of Health Professions President Street Academic Building	Establish Phase II	Yes	600,000	49,400,000	600,000	50,000,000	State Institution Bonds / Other - Institutional Capital Project / Other - CHP Clinical Reserves
2	H59	Horry Georgetown Technical College	6221	Renovation/Expansion of Grand Strand Building 100	Establish Phase I	Yes	-	225,000	225,000	15,000,000	Other - College
3	H59	Northeastern Technical College	6222	Cheraw Campus Schaeffler Manufacturing Technology Academy	Establish Phase I	Yes	-	52,500	52,500	5,600,000	FY17 Appropriated State - Proviso 118.16 (nonrecurring)
4	H59	Spartanburg Community College	6148	Spartanburg-Powers Building Renovations	Phase II Increase	Yes	3,445,946	3,319,757	-	6,765,703	FY20 Appropriated State - Proviso 118.18 (nonrecurring) / Other - College
5	H59	Trident Technical College	6224	Berkeley Campus Renovation - Transportation and Logistics Center	Establish Phase I	Yes	-	511,997	511,997	34,133,144	FY22 Appropriated State - Proviso 118.18 (nonrecurring)
6	D50	Department of Administration	6101	Blatt Replace VAV Terminal Hot Water Reheat - 4th Floor	Establish Phase I	Yes	-	18,968	18,968	1,264,509	Other - Depreciation Reserve
8	D50	Department of Administration	6103	SC State House AHU#1, Level 1 VAVs, Controls System	Establish Phase I	Yes	-	26,514	26,514	1,690,671	Appropriated State / Other - Depreciation Reserve
10	D50	Department of Administration	6080	Sims/Aycock Building - Parking Lot	Phase II Increase	Yes	329,000	690,000	28,000	1,019,000	Other - Depreciation Reserve
11	E24	Office of the Adjutant General	9812	Repair/Replacement (Annualized) Statewide Readiness Center Female Latrines	Phase II Increase	Yes	2,395,200	801,232	50,000	3,196,432	Appropriated State / Federal - National Guard Bureau
13	J12	Department of Mental Health	9807	Coastal Empire Community MHC HVAC, Sprinkler System, and Fire Alarm Replacement	Establish Phase II	Yes	24,000	1,576,000	24,000	1,600,000	Other - Capital Improvement & Maintenance
14	J12	Department of Mental Health	9810	Tucker Whole Building Generators for Stone, Roddey and Roddy Support Buildings	Establish Phase II	Yes	45,525	3,254,475	45,525	3,300,000	Other - Capital Improvement & Maintenance
15	J12	Department of Mental Health	9816	Gaffney MHC Interior Renovations	Establish Phase II	Yes	3,585	1,103,930	3,585	1,107,515	Other - Capital Improvement & Maintenance
20	N04	Department of Corrections	9785	Livesay - B - Add AC to Dorms N-2, N-3 & N-4	Establish Phase I	No	-	30,000	30,000	2,000,000	Appropriated State - FY22 Carryforward
21	N04	Department of Corrections	9786	Turbeville & Kershaw CI - Add Air-Conditioning to 256 Bed Housing Units	Establish Phase I	Yes	-	120,000	120,000	8,000,000	Appropriated State - FY22 Carryforward
22	N04	Department of Corrections	9787	Waterloo River CI - Add AC to Dorms 1, 2 & 4	Establish Phase I	Yes	-	90,000	90,000	4,000,000	Appropriated State - FY22 Carryforward

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: November 9, 2022

Regular Agenda

1. Submitted By:

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


Brian J. Gaines Director, Executive Budget Office

2. Permanent Improvement Projects

3. Summary Background Information:

- (a) Project: JBRC Separate Item: Clemson University
H12.9942: Lehotsky Hall Replacement
- Request: Change Source of Funds and Establish Phase II Full Construction Budget to demolish and rebuild Lehotsky Hall.
- Included in CPIP: Yes – 2022 CPIP Priority 5 of 9 in FY23 (estimated at \$50,000,000)
Phase I Approval: May 2019 (estimated at \$30,000,000) (SFAA)
Phase I Increase
Approval: Approval 2022 (estimated at \$50,000,000)
CHE Approval: 9/1/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
State Institution Bonds				50,000,000	50,000,000
Other, Maintenance & Stewardship	700,000	50,000	750,000	(750,000)	
All Sources	<u>700,000</u>	<u>50,000</u>	<u>700,000</u>	<u>49,250,000</u>	<u>50,000,000</u>

Summary of Work: The project will demolish and rebuild Lehotsky Hall. The new building will include classrooms, offices, laboratories and support spaces. There are two proposed roofing systems being planned for the new building as follows: 1) For non-occupied roof areas, the majority of the roof will be an elastomeric membrane roofing system. 2) For occupied roof areas, the roof system will be an elastomeric membrane roofing system under precast pavers. The facility will be sited adjacent to the Godley-Snell Research Center and across from the Life Sciences Building. Per the university, this location is ideal for the Department of Forestry and Environmental Conservation (FEC) as several FEC research faculty use the animal research facilities and equipment at Godley-Snell and the location provides FEC students with an “outdoor lab” for easy access to Hunnicutt Creek and numerous tree resources nearby. Further, the site allows for a spacious service yard to aid in the frequent movement of tree cuttings, soil samples and other large materials from the Experimental Forest without bringing these materials into the heart of campus.

Rationale: Lehotsky Hall is one of the most energy inefficient buildings on the Clemson campus, per the university. Its building systems are original to the facility, past their useful lives, and do not meet current building code requirements. The fire sprinkler and plumbing systems serving the labs do not meet current codes to ensure occupant safety. Further, the existing building was found to have major environmental, structural and seismic issues.

Facility Characteristics: Lehotsky Hall is 94,000 square feet and was constructed in 1978 (44 years old). The new building to be constructed will be approximately 85,000 square feet. The facility will house the Department of Forestry and Environmental Conservation, Clemson Online, the Office of Teaching Effectiveness/Innovation, Clemson Experimental Forest offices, 4-H Extension offices and governmental partner offices. The replacement facility will be used by approximately 568 students, 38 faculty, 60 staff members and 12 government partners.

Financial Impact: This project will be funded from State Institution Bond Funds. The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$1,925,134 over a 30-year period. The project is expected to result in an increase of \$552,500 (year 1), \$569,075 (year 2), and \$586,147 (year 3), in annual operating expenses. 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 increased from \$738 to \$1,005 for the academic years 2014-2015 to 2021-2022.

Full Project Estimate: \$50,000,000 (internal) funded by State Institution Bonds. Contract execution is expected in April 2023 with construction completion in December 2024.

(b) Project: JBRC Separate Item: Clemson University
H12.9953: Bryan Mall High Rise Renovations

Request: Revise Scope and Establish Phase II Full Construction Budget to renovate the approximately 306,000 square foot 1,450-bed Bryan Mall high-rise residence halls, and to begin the preparatory work on an additional phase that will be requested at a later time to complete renovations of Lever and Manning.

Included in CPIP: Yes – 2022 CPIP Priority 3 of 9 in FY23 (estimated at \$100,000,000)
Phase I Approval: December 2021 (estimated at \$100,000,000) (SFAA)
CHE Approval: 09/01/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Revenue Bonds				52,350,000	52,350,000
Other, Housing Improvement	1,500,000		1,500,000	(1,500,000)	
All Sources	<u>1,500,000</u>		<u>1,500,000</u>	<u>50,850,000</u>	<u>52,350,000</u>

Summary of Work: The focus of this stage of the project is Byrnes Hall. The renovations will include repairing the building envelopes, improving accessibility, installing new fire sprinkler systems, replacing plumbing, HVAC, electrical and roofing systems, and abating hazardous materials. Additionally, the project will include renovating interior spaces, bathrooms and common spaces to accommodate modern student preferences. Approximately 70 interior core bed spaces will be converted into student lounge and programmed space. A new corner and central stairwell will be constructed that will improve functionality and egress. New interior restroom suites will be added with ADA accommodation. The existing SBS-Modified Bitumen membrane roof with Granule-Surfaced Cap Sheet will be replaced with a white 60 mil TPO roofing with a minimum of 4-inch-thick R-20 Polyisocyanurate base insulation board at roof drains or another insulation with similar thickness and equivalent R-Value. The new roof will come with a minimum 20-year material and workmanship warranty.

Rationale: The buildings have had minimal renovations since construction. Many building systems are past their useful lives and the buildings no longer meet the preferences of students in key areas of bathroom privacy, common study, and social space. While maintenance is performed annually on the buildings, the building systems are old, not energy efficient and are not compliant with current code requirements. The interior spaces are not conducive to modern student needs and require updating. The proposed renovations will bring the facilities up to current standards and extend their useful lives for another 40 years.

Facility Characteristics: The three Bryan Mall high rise facilities total 306,000 square feet and were constructed between 1963 (58 years old) and 1972 (49 years old). Byrnes Hall is 102,000 square feet and was constructed in 1970 (52 years old). The roof was installed in 2011 (11 years old) and is being replaced as a part of the proposed complete renovation of the existing building. The roof has not failed. As a result of the Phase I analysis, BOURDREAUX's recommendation that the demolition and new construction scope of work on this project, and the resulting construction traffic that will occur on the roof deck, justifies a complete replacement of this roof versus working to protect, salvage, patch and repair the existing roof. Such work would most likely nullify any remaining warranty period on the existing roof. The facilities have 1,450 bed spaces for freshman housing and a staff of 58, including 54 resident advisors, 2 graduate community directors, and 2 community directors.

Financial Impact: This phase of the project will be funded from Revenue Bonds. The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$1,187,275 over a 30-year period. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has increased from \$924 in 2017-2018 to \$1,005 in 2021-2022.

Full Project Estimate: \$52,350,000 (internal) funded by Revenue Bonds. The total estimated cost to complete Bryan Mall, Lever and Manning is \$100,000,000. Contract execution for this phase of the project is expected in March 2023 with construction completion in August 2024.

(c) Project: JBRC Separate Item: Clemson University
H12.9957: Women's Sports Program Expansion (Gymnastics/Lacrosse)

Request: Establish Phase II Full Construction Budget to construct new facilities for women's athletics programs, including gymnastics and lacrosse, adjacent to the existing women's rowing facility

Included in CPIP: Yes – 2022 CPIP Priority 8 of 9 in FY23 (estimated at \$37,000,000)
Phase I Approval: March 2022 (estimated at \$27,500,000) (SFAA)
CHE Approval: 09/01/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Revenue Bonds				10,000,000	10,000,000
Other, Athletic Gifts & Donations	500,000		500,000	26,500,000	27,000,000
All Sources	<u>500,000</u>		<u>500,000</u>	<u>36,500,000</u>	<u>37,000,000</u>

Summary of Work: The project will construct a new approximately 21,000 square foot women's gymnastics training facility. The gym training facility will include coaches' offices, a locker room, a student-athlete lounge, and a sports medicine room. The roof to be installed on this new facility is a Vertical-Rib, Sealed Joint, Standing-Seam Metal Roof Panel System that will come with a 2-year installer's warranty and a 20-year warranty that includes repair or replacement of the metal roof panel system. A 20-year finish warranty is also included. The project will also construct an approximately 9,000 square foot women's lacrosse operations facility and an artificial turf field with stadium seating. The lacrosse operations facility will include coaches' offices, a locker room, a student-athlete lounge, a film room, and a sports medicine room. The roof to be installed on this new facility for the Press Box roof and exposed support area is a Vertical-Rib, Sealed Joint, Standing-Seam Metal Roof Panel System that will come with a 2-year installer's warranty and a 20-year warranty that includes repair or replacement of the metal roof panel system. A 20-year finish warranty is also included. The roof to be installed on this new facility for the non-exposed roofing system over support space beneath bleacher seating, will be a thermoplastic polyolefin (TPO) membrane roofing system that will come with a 1-year installer's warranty and a 20-year warranty that includes repair or replacement of the TPO roof system. An approximately 10,000 square foot addition to the existing rowing center facilities will include amenities for women's gymnastics, lacrosse, and rowing, including strength and conditioning, nutrition, and athlete wellness and recovery areas. Renovation to the exterior and interior of the rowing boathouse is included and will ensure all facilities on site are adequate for use by student-athletes and removal of the existing rowing storage building was deemed necessary to fulfill the space requirements of the project, per the university. The roof to be installed on this new facility is a Vertical-Rib, Sealed Joint, Standing-Seam Metal Roof Panel System that will come with a 2-year installer's warranty and a 20-year warranty that includes repair or replacement of the metal roof panel system. A 20-year finish warranty is also included.

Rationale: Women's gymnastics and women's lacrosse were announced as new sport additions in June 2021.

Facility Characteristics: The new approximately 21,000 square foot women's gymnastics training facility, new approximately 9,000 square foot women's lacrosse operations facility, an approximately 10,000 square foot addition to the existing rowing center facilities, and renovation to the exterior and interior of the rowing boathouse, will be utilized by women's gymnastics, women's lacrosse, and as a women's athlete recovery training center. These facilities will support 135 female student-athletes and provide new competition and training facilities for use by the new additional teams.

Financial Impact:

This request will be funded from Revenue Bonds and Athletic Gift & Donation Funds (uncommitted balance \$27 million for this project at 6/30/22) Revenue to the fund are received from individuals, corporations, and other entities that are to be expended for their restricted purposes. The project is expected to result in an increase of \$260,000 (year 1), \$267,800 (year 2), and \$275,834 (year 3), in annual operating expenses. The gymnastics building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$275,906 over a 30-year period. The lacrosse building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$63,533 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 increased from \$738 to \$1,005 for the academic years 2014-2015 to 2021-2022.

Full Project Estimate:

\$37,000,000 (internal) funded by Revenue Bonds and Athletic Gifts & Donations. Contract execution is expected in January 2023 with construction completion in December 2023.

(d) Project: JBRC Item 1: Medical University of South Carolina
H51.9872: MUSC Campus Connector Bridges

Request: Establish Phase I Predesign Budget to construct an elevated connector bridge.

Included in CPIP: Yes – 2022 CPIP Priority 8 of 11 in FY23 (estimated at \$34,400,000)

CHE Approval: 09/01/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional Capital Reserves				950,000	950,000
All Sources				<u>950,000</u>	<u>950,000</u>

Summary of Work: The project will construct an elevated connector bridge adjacent to Doughty Street from the 2nd floor of the Ashley River Tower to the 2nd floor of the Bioengineering Building. Connections from this Doughty Street bridge will also be made at the 2nd floors of the Thurmond Gazes Building and the Psychiatric Building. A separate connector bridge will be constructed from the 2nd floor of the College of Nursing Building to the 2nd floor of the Clinical Sciences Building. Once completed, all major campus buildings will be connected together at the 2nd floor level. This project will also relocate the existing underground swisslog tube system to the new connector bridge. This tube system is essential to hospital lab operations and is compromised by its underground location, per the university.

Rationale: The Charleston Medical District is spread out over 80+ acres and is located within the 100-year floodplain. The entire area is prone to flooding during storm events including hurricanes/tropical storms, heavy rain events, and sometimes even during normal high tide events. Once completed, the elevated walkway project will allow patients, care team members, and supplies to move freely from building to building during storm and flood events. This project will connect the entire MUSC Health campus network and provide safe passage to any emergency rooms or adult Level 1 Trauma centers via the helipad located on top of the Sean Jenkins Children's Hospital.

Facility Characteristics: The new connector bridges will total approximately 37,000 square feet and will be utilized by approximately 3,000 to 5,000 students, patients, faculty, and staff daily, with additional faculty and staff utilizing the bridge on a more ad hoc basis.

Financial Impact: This phase of the project will be funded from Institutional Capital Reserve Funds (uncommitted balance \$1.45 million at July 19, 2022) Revenue to this fund is excess debt service funds and remaining balances from closed projects. The project is expected to result in an increase of \$200,000 (years 1 thru 3), in annual operating expenses. 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: \$34,399,710 (internal) funded by Institutional Capital Project Reserve Funds. Phase II will be funded by \$24,079,797 in FEMA Grant (Building Resilient Infrastructure & Communities), and \$9,369,913 in Federal CARES Act Coronavirus Relief Funds received from the state as reimbursement for COVID-19 related expenses.

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

Request: Establish Phase II Full Construction Budget to construct a six story, approximately 89,000 gross square foot building on President Street.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 11 in FY23 (estimated at \$50,000,000)

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

CHE Approval: 09/01/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
State Institution Bonds				25,225,000	25,225,000
Other, Institutional Capital Reserves	600,000		600,000	4,400,000	5,000,000
Other, CHP Clinical Reserves				19,775,000	19,775,000
All Sources	<u>600,000</u>		<u>600,000</u>	<u>49,400,000</u>	<u>50,000,000</u>

Summary of Work: The building will be constructed north of the Bioengineering building. It will include 5,000 square feet of research space, a 6,000 square foot auditorium, 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. An elevated pedestrian bridge is included connecting to the 2nd floor of the existing Bioengineering building.

Rationale: The new facility is needed to support growth of the various academic programs within the College of Health Professions.

Facility Characteristics: The new facility will be 89,000 gross square feet and will support the Bachelor of Science in Healthcare Studies, Health Administration (Masters 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 Proposed Genetic Counseling Program (pending CHE approval with potential start date of Fall 2023). Per the university, the current College of Health Professionals student body of approximately 800 students is expected to increase 20% over the next four years and is projected as follows: Physician Assistant Studies program, from 60 to 97 students; New Speech Language Pathology Program (first cohort of 43 students matriculated in Fall 2021); Proposal and development of a Genetic Counseling program. The facility will be accessible by students, faculty, staff and MUSC constituents.

Financial Impact: This phase of the project will be funded from Institution Bonds, Institutional Capital Reserves (uncommitted balance \$7.26 million at July 19, 2022), and College of Health Professional Clinical (CHP) Revenues (uncommitted balance \$20 million at July 19, 2022). Revenue to the Institutional Capital Project Reserve Fund is excess debt service funds and remaining balances from closed projects. Revenue to the CHP Clinical Reserves Fund is derived from clinical revenue generated by patient services. 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 \$631,000 (years 1 thru 3), in annual operating expenses. 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: \$50,000,000 (internal) funded by State Institution Bonds, CHP Clinical Revenues, and Institutional Capital Reserve Funds. Contract execution is expected in June 2023 with construction completion in December 2024.

(f) **Project:** JBRC Item 2: Horry Georgetown Technical College
H59.6221: Renovation/Expansion of Grand Strand Building 100

Request: Establish Phase I Pre-Design Budget to renovate and expand Building 100 on its Grand Strand (former Air Force Base) Campus.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 3 in FY23 (estimated at \$15,000,000)

CHE Approval: 08/05/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College				225,000	225,000
All Sources				<u>225,000</u>	<u>225,000</u>

Summary of Work: The project will renovate the existing building and construct an additional 10,000 square feet of instructional and applied learning space by adding a second floor to the existing gymnasium by utilizing the high ceilings without impacting the existing exterior walls or roof systems. Various classroom and simulation/lab spaces, IT closets, study areas, stairwells, and restrooms will be added in the existing gym space (totaling 20,000 square feet). In the existing 4,400 square foot (one-floor) space, the College will renovate and upfit that space to include faculty/staff offices, meeting spaces with A/V technology, an IT closet, and larger restrooms. The project will require a comprehensive upgrade to the existing HVAC and air handling systems. Extensive mechanical/electrical/plumbing work to accommodate the health sciences programs in the building such as nursing, imaging sciences, multi-disciplinary simulation labs, and cardio-vascular imaging equipment and related technologies will also be required.

Rationale: The college seeks to increase enrollment in its nursing and health-sciences programs. Building 100

Facility Characteristics: Building 100 is 14,122 square feet and was constructed in 1992 (30 years old). The addition will add an additional 10,000 square feet, bringing the total square footage up to 24,122. The building was originally a gymnasium and youth center when the property was owned and operated by the Myrtle Beach Air Force Base but is currently not utilized. The proposed facility will be dedicated to expanding the college's nursing, imaging sciences, physical therapy, and EMT programs. The facility will be utilized by 525 students, faculty, staff, and clients annually.

Financial Impact: This phase of the project will be funded from College Funds (uncommitted balance \$44.8 million at July 31, 2022). Revenue to this fund is defined as the excess of revenues over expenses accumulated over time for the purpose of funding capital projects, major renovations, and for meeting local matching requirements. The project is expected to result in an increase of \$54,683 (year 1), and \$109,367 (years 2 and 3), in annual operating expenses. No student fees or tuition will be increased because of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: \$15,000,000 (internal) funded by College Funds. Phase II will be funded by \$10,000,000 in FY23 Appropriated State, Proviso 118.19 (nonrecurring), and \$5,000,000 in College Funds.

(g) Project: JBRC Item 3: Northeastern Technical College
H59.6222: NETC Cheraw Campus Schaeffler Manufacturing Technology Academy

Request: Establish Phase I Pre-Design Budget to construct an industrial building on the NETC Cheraw Campus.

Included in CPIP: Yes – 2022 CPIP Priority 4 of 4 in FY24 (estimated at \$5,600,000)

CHE Approval: 07/05/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY17 Proviso 118.16 (23)(n) (FY20 Proviso 25.12)				52,500	52,500
All Sources				<u>52,500</u>	<u>52,500</u>

Summary of Work: The project will construct a 27,520 square foot industrial building to be used by the Schaeffler Group, USA for the NETC Schaeffler Apprenticeship Program. The new building will be brick and mortar, with a metal roof. The building will be designed to meet Two Green Globe certification standards. The new building will replace buildings 600 and 700. Buildings 600 and 700 will be demolished in non-pip project (H59-N176-MJ), for an estimated cost of \$200K, that will be fully funded by Chesterfield County. As of August 18, 2022, Chesterfield County has transferred the funds to cover the demolition cost of the two buildings to the college. The college has worked with the state engineer's office to hire an architectural firm, engineering site surveyor, and asbestos surveyor to allow NETC to bid the removal and demolition of the two buildings. The demolition will be completed no later than March 2023.

Rationale: Renovation of buildings 600 and 700 would cost more than constructing a new building to bring them into compliance with current building codes, add additional bathrooms, and make major repairs, per the college. The configuration of the existing buildings to convert into a flexible space for training would have required the removal of walls and major reconstruction to get the same amount of space compared to the new building.

Facility Characteristics: Building 600 is 9,220 square feet, and Building 700 is 5,225 square feet, and both were constructed in the 1970's (52 years old). The new building to be constructed will be for the Schaeffler Manufacturing Technology Academy to provide a flexible space to teach multiple courses for the workforce. It is estimated that 100+ students, and 10+ staff will use the facility as the program increases.

Financial Impact: This phase of the project will be funded from FY17 Appropriated State Funds, Proviso 118.16 (nonrecurring) Funds (uncommitted balance \$3.5 million at June 7, 2022) and redirected in FY20 Proviso 25.12. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased because of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: \$5,600,000 (internal) funded by Appropriated State, Proviso 118.16 (nonrecurring) Funds. The college is requesting \$2,100,000 in the FY23-24 Budget Request process to complete the funding needed to fully complete the construction of this project. If this funding is not received, the college will be unable to fund the entire project unless EDA grant funds could be secured.

(h) Project: JBRC Item 4: Spartanburg Community College
H59.6148: Spartanburg-Powers Building Renovations

Request: Increase Phase II Full Construction Budget to add funding to the project to complete final design, and to complete construction for the final renovations to the Central Campus Powers Building.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 2 in FY23 (estimated at \$6,765,703)

Phase II Approval: February 2019
(this phase estimated at \$448,000 – total estimated for all phases \$4,176,000) (JBRC)

Phase II Decrease & Revise Scope Approval: November 2019
(this phase estimated at \$421,446 – total estimated for all phases \$4,176,000) (Admin)

Phase II Increase Approval: February 2020
(this phase estimated at \$466,446 – total estimated for all phases \$4,176,000) (JBRC)

Phase II Increase Approval: December 2020
(this phase estimated at \$3,387,446 – total estimated for all phases \$5,968,446) (SFAA)

Phase II Increase & Revise Scope Approval: April 2022
(this phase estimated at \$3,445,946 – total estimated for all phases \$6,312,446) (SFAA)

CHE Approval: 09/01/22

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 (o)				1,449,367	1,449,367
Other – College	448,000	2,997,946	3,445,946	1,870,390	5,316,336
All Sources	<u>448,000</u>	<u>2,997,946</u>	<u>3,445,946</u>	<u>3,319,757</u>	<u>6,765,703</u>

Summary of Work: Due to funding availability the college is seeking approval of the work as a PIP in phases. This phase of the project will complete final design and construction of the following: 1) A-Wing HVAC system and finish upgrades from unit ventilator and fan coil systems to a variable air volume (VAV) system to include mechanical HVAC reconfiguration, lighting, and finish upgrades. 2) B-Wing Roof Replacement to include removing the existing Built-Up roof and reroofing with a .060 TPO membrane roof. 3) D-Wing Roof Replacement to include removing the existing Built-Up roof and reroofing with a .060 TPO membrane roof. The new roofs will come with a 20-year material and workmanship warranty. The B-Wing HVAC system and finish upgrades, B-Wing laboratory renovations and equipment/furnishings, and the C-Wing Roof Replacement have all been completed.

Rationale: This building is the dominant classroom building for the college and requires comprehensive sequential renovation of offices, classrooms, labs, and restrooms to meet acceptable workplace and educational instruction standards. It is not feasible to close this building for extended periods of time nor does the college have undesignated funds that would be necessary for all the needed renovations and deferred maintenance at one time.

Facility Characteristics: The 74,185 square foot three (3) wing building was constructed in 1969 (53 years old), with an addition added in 1973 (49 years old). The C-Wing roof was installed in 1992 (30 years old). The campus is utilized by 41 faculty and staff, and 1600+ students.

Financial Impact: The project will be funded from FY20 Appropriated State (nonrecurring) (uncommitted balance \$1,605,842 at September 7, 2022), and College Funds (uncommitted balance

\$5.83 million at August 23, 2022). Revenue to the fund is total revenue and fund balance less college capital expenses less college plant fund carryforward projects resulting in the remaining college revenue and fund balance. The project is expected to result in a decrease of \$18,560 (year 1), \$19,670 (year 2), and \$20,850 (year 3) in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$161 per student per semester, and has not increased from academic year 2017-2018.

Full Project Estimate: \$6,765,703 (internal) funded by Appropriated State and College Funds. Contract execution for this portion of the project is expected in March 2023 and completion of construction in July 2023. The estimated cost to complete this project has increased from the previous estimate because it is an evolving project that is being implemented over time. The engineering estimate for this proposed portion of the project is now \$3,378,257 with the OSE requirements.

(i) **Project:** JBRC Item 5: Trident Technical College
H59.6224: Berkeley Campus Renovation - Transportation and Logistics Center

Request: Establish Phase I Pre-Design Budget to re-purpose the main building on the Berkeley campus into a high-tech training facility.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 1 in FY24 (estimated at \$34,133,144)

CHE Approval: 07/15/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Proviso 118.18 (27)(v)				511,997	511,997
All Sources				<u>511,997</u>	<u>511,997</u>

Summary of Work: The project will renovate the entire building and add approximately 4,600 square foot of additional space. The interior renovations include renovating 5 training classrooms and 6 offices, creating a large flexible classroom space and creating a records storage room. For shop training, the high bay space will be renovated, as well as the shop space. Maintenance and repair work will include HVAC replacement, upgrading electrical distribution, removing a skylight, replacing exterior split brick, replacing flooring, doors, door locks and hardware, replacing ceiling tile and grid, upgrading sewer line, renovating bathrooms, upgrading the fire alarm system and expanding the existing kitchen. Exterior renovations include road training space by renovating the existing driving pad, constructing an additional driving pad, improving campus roads, construction of a loading dock simulation, adding security fencing, cameras, and alarms, upgrading existing streetlights, and adding additional streetlights. The front entrance will also be renovated.

Rationale: This economic development project addresses the challenge of providing transportation, distribution and logistics (supply chain) services to the region by accommodating the workforce needs of diverse employment sectors, per the college. This project will re-purpose the outdated 40-year-old main building to serve the transportation and supply chain needs of existing and new industries within the logistics sector including transportation and air freight providers as well as warehouse and distribution centers. Additional high-bay training spaces and labs are required to help meet new industry demands and the growing manufacturing plants located nearby.

Facility Characteristics: The 79,141 square foot building was constructed in 1982 (40 years old). The roof was replaced in 2008 (14 years old) and will be evaluated during the Phase I process. Some components of the HVAC equipment have been replaced over the years, but much of the current equipment is over 20 years old, beyond its useful life, and failing. Restrooms were renovated 8 years ago. The remaining components, including electrical and plumbing are as old as the building. The building is utilizing by 1,875 students, 25 faculty, and 8 staff.

Financial Impact: This phase of the project will be funded from FY22 Appropriated State (nonrecurring) (uncommitted balance \$5 million at July 11, 2022). The project is expected to result in an increase of \$26,113 (year 1), \$26,897 (year 2), and \$27,704 (year 3) in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$196 per student per semester, and has increased from \$170 in academic year 2014-2015.

Full Project Estimate: \$34,133,144 (internal) funded by FY22 Appropriated State (nonrecurring) Funds. Phase II will be funded by \$21,306,515 in FY22 Appropriated State, \$6,000,000 in FY23 Appropriated State, and \$6,826,629 in College Funds.

(j) **Project:** JBRC Item 6: Department of Administration
D50.6101: Blatt Replace VAV Terminal Hot Water Reheat - 4th Floor

Request: Establish Phase I Pre-Design Budget to replace the VAV units on the 4th floor of the Solomon Blatt Building.

Included in CPIP: Yes – 2022 CPIP Priority 5 of 24 in FY23 (estimated at \$1,100,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve				18,968	18,968
All Sources				<u>18,968</u>	<u>18,968</u>

Summary of Work: The project will involve replacing 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 4th floor. All light fixtures will also be replaced with LED fixtures and a new acoustical ceiling system will be installed.

Rationale: The equipment and ductwork are 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, with the 4th floor being approximately 27,795 gross square feet and was constructed in 1978 (44 years old). The building houses 80 to 100 year-round SC House of Representatives staff, and from January to July each year the number increases to approximately 330.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$5.28 million at August 8, 2022). 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: \$1,264,509 (internal) funded by Depreciation Reserve Funds.

(k) Project: JBRC Item 8: Department of Administration
D50.6103: SC State House AHU#1, Level 1 VAVs, Controls System

Request: Establish Phase I Pre-Design Budget to replace all VAV's and to rebuild AHU#1 in the SC State House.

Included in CPIP: Yes – 2022 CPIP Priority 15 of 24 in FY23 (estimated at \$1,690,671)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State				336	336
Other, Depreciation Reserve				26,178	26,178
All Sources				<u>26,514</u>	<u>26,514</u>

Summary of Work: The project will replace all 34 VAV's in the crawlspace of the SC State House as well as rebuild Air Handler Unit #1 in the basement. This equipment supplies heating and air to the first floor of the State House. This project will also include replacing and upgrading the current Honeywell HVAC controls system for the entire building.

Rationale: This equipment was part of the 1997 renovation and has reached the end of its useful life. The controls software is obsolete and parts to repair this equipment are increasingly difficult to obtain, per the agency.

Facility Characteristics: The SC State House Building is approximately 164,880 gross square feet and was constructed in 1851 (171 years old), with the building being completely renovated in 1997 (25 years ago). The State House is utilized by the Senate, House of Representatives, Legislative Council, Legislative Services Agency, Governor's Office, Lieutenant Governor's Office, Department of Public Safety and Parks Recreation & Tourism. According to SC Parks, Recreation & Tourism the average number of visitors to the SC State House is 110,000 annually.

Financial Impact: This phase of the project will be funded from Appropriated State (uncommitted balance \$336 at August 10, 2022) and Depreciation Reserve Funds (uncommitted balance \$5.17 million at August 10, 2022). Revenues received to the Depreciation Reserve account 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: \$1,690,671 (internal) funded by Appropriated State and Depreciation Reserve Funds. Phase II will be funded by FY22 Appropriated State (nonrecurring), FY20 Capital Reserve, and Depreciation Reserve Funds.

(l) **Project:** JBRC Item 10: Department of Administration
D50.6080: Sims/Aycock Building - Parking Lot Repair/Replacement (Annualized)

Request: Change Project Name, Revise Scope, and Increase Phase II Full Construction Budget to add the second annualized phase of the Sims/Aycock Building parking lot improvements, located at 2600 Bull Street in Columbia.

Included in CPIP: Yes – 2022 CPIP Priority 6 of 24 in FY23 (estimated at \$846,000)

Phase I Approval: September 2021 (estimated at \$236,130) (JBRC Staff)

Phase II Approval: June 2022 (estimated at \$329,000) (JBRC)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	28,000	301,000	329,000	690,000	1,019,000
All Sources	<u>28,000</u>	<u>301,000</u>	<u>329,000</u>	<u>690,000</u>	<u>1,019,000</u>

Summary of Work: The project will be completed in three (3) annualized phases, and additional funding will be requested to be added to the project in the future for subsequent years. The first annualized phase has been approved for final design and construction and included completing all engineering and geo-technical work associated with all phases of the project. Actual construction in the first annualized phase will address the visitor parking area located on the west side of the building, along Bull Street, and the employee parking, located on the south side of the building in between the DSS North Tower and Sims/Aycock Building. The second annualized phase includes completion of the final design and construction of the staff parking area located on the north side of the Sims/Aycock Building, at the intersection of Bull Street and Harden Street Extension.

Rationale: The asphalt is past its life expectancy, is in poor condition, and is a trip hazard to the customers and employees that utilize the building daily.

Facility Characteristics: The Sims/Aycock Building has approximately 380,376 square feet of asphalt paved parking area and approximately 62,676 square feet of the asphalt paved parking area will be repaved. The building was constructed in 1965 (57 years old) and the asphalt appears to be original to the building. The building is utilized by approximately 500 SCDHEC personnel and various visitors annually.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$2.14 million at April 22, 2022). 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: \$1,019,000 (internal) funded by Depreciation Reserve Funds. The total estimated cost of all three annualized phases is \$1,450,000. Contract execution for the first phase of the project is expected in November 2022 and completion of construction in April 2023. Contract execution for this phase of the project is expected in February 2023 and completion of construction in August 2023.

(m) Project: JBRC Item 11: Office of the Adjutant General
E24.9812: Statewide Readiness Center Female Latrines

Request: Increase Phase II Construction Budget for the construction of Hartsville and Wellford, as well as for the design cost for Eastover.

Included in CPIP: Yes – 2022 CPIP Priority 6 of 24 in FY23
(this portion estimated at \$882,000 & estimated at \$5,677,200 for all 12 facilities)

Phase I Approval: August 2018 (estimated at \$2,233,435 for all 12 facilities) (SFAA)

Phase II Approval: April 2019 (estimated at \$2,450,000 for all 12 facilities) (SFAA)

Phase II Increase Approval: February 2020 (estimated at \$2,650,000 for all 12 facilities) (SFAA)

Phase II Increase Approval: December 2020 (estimated at \$2,650,000 for all 12 facilities) (SFAA)

Phase II Increase Approval: March 2021 (estimated at \$3,850,000 for all 12 facilities) (SFAA)

Phase II Increase Approval: October 2021 (estimated at \$2,650,000 for all 12 facilities) (SFAA)

Phase II Increase Approval: January 2022 (estimated at \$2,172,349 for all 12 facilities) (SFAA)

Phase II Increase Approval: May 2022 (estimated at \$3,645,200 for all 12 facilities) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State	12,500	695,952	708,452	200,308	908,760
Federal, National Guard Bureau	37,500	1,649,248	1,686,748	600,924	2,287,672
All Sources	<u>50,000</u>	<u>2,345,200</u>	<u>2,395,200</u>	<u>801,232</u>	<u>3,196,432</u>

Summary of Work: The project was established to renovate and expand existing female latrines in various readiness centers across the state. The initial group of readiness centers include North Charleston, Walterboro, Wellford, Abbeville, Hartsville, Saluda, Newberry, Batesburg, Kingstree, Seneca, West Columbia, and Rock Hill. The North Charleston, Edgefield, Rock Hill, Saluda, Newberry, Saluda and Kingstree facilities have been completed. Designs are complete for Hartsville, Wellford and Abbeville. West Columbia and Walterboro are currently being renovated. The funds in this request will be used construction of Hartsville and Wellford, as well as for the design cost for Eastover. The scope of work includes renovating existing female latrine and constructing additional authorized space to include new utilities and fixtures, along with any required mechanical, electrical and plumbing work.

Rationale: Due to the rising number of female soldier's adequate latrine space is needed. Per NG Pam 415-12, the assigned unit(s) are authorized 2,000 square feet of latrine space. This project will allow the female soldiers to have the required number of facilities (toilets, showers, changing areas) they need to conduct training.

Facility Characteristics: Each female latrine is 72 square feet to 339 square feet and was constructed from 1958 to 1989 (33 years to 64 years old).

Financial Impact: The project will be funded with Appropriated State Funds (uncommitted balance \$2 million at August 10, 2022) and Federal, National Guard Bureau Funds (uncommitted balance \$2.1 million at August 10, 2022). Revenue to this 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 \$1,500 (year 1), \$1,500 (year 2), and \$3,000 (year 3) in annual operating expenses.

Full Project Estimate: \$3,196,432 (internal) for this phase of the project with an estimated cost of \$5,677,200 (internal) (for all 12 facilities), funded by Appropriated State and National Guard Bureau Funds. Contract execution for Hartsville and Wellford is expected in November 2022 and completion of construction in April 2023. Construction completion for West Columbia is expected in December 2022. Construction completion for Walterboro is expected in March 2023.

(n) Project: JBRC Item 13: Department of Mental Health
J12.9807: Coastal Empire Community MHC HVAC, Sprinkler System, and Fire Alarm Replacement

Request: Establish Phase II Full Construction Budget to replace HVAC, sprinkler system and fire alarm system at the Coastal Empire Mental Health Center in Beaufort.

Included in CPIP: Yes – 2022 CPIP 2 of 48 in FY23 (estimated at \$1,600,000)

Phase I Approval: December 2021 (estimated at \$1,600,000) (SFAA)

CHE Approval: N/A

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

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

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

Facility Characteristics: The Coastal Empire Mental Health Center is 16,766 square feet and was constructed in 1995 (27 years old). All the building components are original to the building. The facility has 45 staff and serves 26 patients per day and provides an average of 83 services per day during normal business hours.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$14.1 million at July 18, 2022). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$1,500 (year 1), and \$2,500 (years 2 and 3) in annual operating expenses.

Full Project Estimate: \$1,600,000 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in January 2023 and completion of construction in December 2023.

(o) Project: JBRC Item 14: Department of Mental Health
J12.9810: Tucker Whole Building Generators for Stone, Roddey and Roddey Support Buildings

Request: Establish Phase II Full Construction Budget to get the 3 operational buildings on the Tucker campus on a backup generator.

Included in CPIP: Yes – 2022 CPIP 5 of 48 in FY23 (estimated at \$3,330,000)

Phase I Approval: December 2021 (estimated at \$3,035,000) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	45,525		45,525	3,254,475	3,300,000
All Sources	<u>45,525</u>		<u>45,525</u>	<u>3,254,475</u>	<u>3,300,000</u>

Summary of Work: The project will get the 3 operational buildings (Stone, Roddey & Roddey Support), on the Tucker campus on a backup generator. A feasibility study was commissioned, and it was determined that it will cost around \$1 million for each building to have a generator large enough to power each building.

Rationale: It has been an agency goal to get all nursing homes on 100% emergency backup power. Other options have been explored, such as having a docking port installed on each building, but the generators would have to be large, and the fuel consumption would be significant depending on the season. Rental solutions were determined to being equal to a prorated loan and the agency would not own the equipment when it was over.

Facility Characteristics: The 3 buildings (Stone, Roddey and Roddey Support), are located on the C. M. Tucker Nursing Care Center Campus in Columbia. The Stone Pavilion is 45,684 square feet and was constructed in 1971 (51 years old). The facility currently houses 90 long-term nursing care military veterans along with 120 staff and support personnel. The Roddey Pavilion is 111,534 square feet and was constructed in 1983 (39 years old). The facility is home to 170+ inpatient nursing home clients and over 200 staff that occupy the building on a 24/7 basis. The Roddey Support Building is 11,305 square feet and was constructed in 1983 and 1996 (39 and 26 years old). The facility houses linens and supplies for the Stone and Roddey Nursing Homes. Roddey Support also has the campus Energy Center including chillers and boilers vital to the operation of Stone and Roddey Nursing Homes. This facility houses around 20 staff.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$14.1 million at July 18, 2022). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in an increase of \$1,000 (year 1), and \$1,500 (years 2 and 3) in annual operating expenses.

Full Project Estimate: \$3,300,000 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in January 2023 and completion of construction in December 2023.

(p) Project: JBRC Item 15: Department of Mental Health
J12.9816: Gaffney MHC Interior Renovations

Request: Revise Scope and Establish Phase II Full Construction Budget to repair and renovate the recently acquired building to become the new Cherokee Mental Health Center.

Included in CPIP: Yes – 2022 CPIP Priority 9 of 48 in FY23 (estimated at \$1,107,515)

Phase I Approval: December 2021 (estimated at \$239,000) (JBRC Staff)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	3,585		3,585	1,103,930	1,107,515
All Sources	<u>3,585</u>		<u>3,585</u>	<u>1,103,930</u>	<u>1,107,515</u>

Summary of Work: The original project scope of work included interior renovations and repair work to adapt the building to the needs of the new occupants. During the Phase I process it was determined that additional work is needed to update the building which will require fewer projects and maintenance over the next 20 years. The revised project scope will include lobby improvements for security, patient diagnosis/treatment rooms will receive sound attenuation and HVAC, lighting, electrical/communications will all be renovated to accommodate the addition of the private offices created from the large open space being divided up to comply with confidentiality and HIPPA rules. Ceiling insulation was not to code and will be replaced by a closed cell spray polyurethane on the underside of the roof deck. The fire alarm will be replaced, and a security system will be installed with access control.

Rationale: The building currently has a very open concept and is not conducive to patient privacy or security. Completing this project will provide a facility that can serve the patients and clients of the Gaffney area.

Facility Characteristics: The SCDMH purchased the 6,435 square building that was constructed in 1990 (32 years old) in 2020 for \$275,000 in project J12-9784. The Cherokee Mental Health Center provides programs for adult and child services, school based mental health services and telepsychiatry. The facility will have 2-3 doctors, 3 nurses, with 20 total staff and will see 800 patients a year.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$14.1 million at July 18, 2022). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$26,400 (year 1), and \$52,800 (years 2 thru 3), in annual operating expenses.

Full Project Estimate: \$1,107,515 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in January 2023 and completion of construction in December 2023.

(q) Project: JBRC Item 20: Department of Corrections
N04.9785: Livesay - B - Add AC to Dorms N-2, N-3 & N-4

Request: Establish Phase I Pre-Design Budget to add air conditioning to dorms at Livesay Correctional Institution.

Included in CPIP: No – This project was not included in the 2022 CPIP submission because the focus has been to concentrate on higher security institutions for the installation of AC before lower security institutions. Livesay is a work camp and minimum-security facility, so this institution did not originally fall within the 5-year plan of the CPIP. However, with the projected savings realized from the revised estimate for Wateree River CI - Add AC to Dorms 1, 2 & 4, the funds will be redirected to fund this project.

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward				30,000	30,000
All Sources				<u>30,000</u>	<u>30,000</u>

Summary of Work: The project scope will add air conditioning to Dorms N-2, N-3 & N-4 and will include the addition of new-air handlers, duct work and electrical upgrades to run the new equipment. The work will be accomplished by a general/mechanical contractor.

Rationale: All three dorms were designed and constructed with heat and ventilation only. The addition of AC to the dorms will increase the habitability and comfort for the inmates which improves security and safety while also increasing the building systems life span by controlling the humidity inside, per the agency.

Facility Characteristics: Dorms N-2, N-3 & N-4 are of the same design, total 18,252 square feet and were constructed in 1973 (49 years old). Each housing unit accommodates 144 inmates and 3 staff.

Financial Impact: The project will be funded from Appropriated State, FY22 Carryforward Funds (uncommitted balance \$47.96 million on August 8, 2022). The project is expected to result in an additional annual operating costs, but those amounts have not been determined at this time.

Full Project Estimate: \$2,000,000 (internal) funded by Appropriated State, FY22 Carryforward Funds.

(r) Project: JBRC Item 21: Department of Corrections
N04.9786: Turbeville & Kershaw CI - Add Air-Conditioning to 256 Bed Housing Units

Request: Establish Phase I Pre-Design Budget to add air conditioning to two housing units located at Turbeville Correctional Institution and Kershaw Correctional Institution.

Included in CPIP: Yes – 2022 CPIP Priority 10 of 10 in FY23 (estimated at \$8,000,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward				120,000	120,000
All Sources				<u>120,000</u>	<u>120,000</u>

Summary of Work: The project scope will add air conditioning to both buildings and will include the addition of a chiller, new air-handlers, duct work and electrical upgrades to run the new equipment. The work will be accomplished by a general/mechanical contractor.

Rationale: The housing units were designed and constructed with heat and ventilation only.

Facility Characteristics: Each of the 256 bed housing units is 29,470 square feet and were constructed in 2003 (19 years old). Each housing unit accommodates 256 inmates and 3 staff.

Financial Impact: The project will be funded from Appropriated State, FY22 Carryforward Funds (uncommitted balance \$47.96 million on August 8, 2022). The project is expected to result in an additional annual operating costs, but those amounts have not been determined at this time.

Full Project Estimate: \$8,000,000 (internal) funded by Appropriated State, FY22 Carryforward Funds.

(s) Project: JBRC Item 22: Department of Corrections
N04.9787: Wateree River CI - Add AC to Dorms 1, 2 & 4

Request: Establish Phase I Pre-Design Budget to add air conditioning to dorms at Wateree Correctional Institution.

Included in CPIP: Yes – 2022 CPIP Priority 9 of 10 in FY23 (estimated at \$6,000,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward				90,000	90,000
All Sources				<u>90,000</u>	<u>90,000</u>

Summary of Work: The project scope will add air conditioning to Dorms 1, 2, & 4 and will include the addition of new-air handlers, duct work and electrical upgrades to run the new equipment. The work will be accomplished by a general/mechanical contractor.

Rationale: All three dorms were designed and constructed with heat and ventilation only. The addition of AC to the dorms will increase the habitability and comfort for the inmates which improves security and safety while also increasing the building systems life span by controlling the humidity inside, per the agency.

Facility Characteristics: Dorms 1 & 2 are approximately 12,818 square feet each and were constructed in 1982 (40 years old). Dorm 4 is approximately 13,631 square feet and was constructed in 1991 (31 years old). Each housing unit accommodates 288 inmates and 9 staff.

Financial Impact: The project will be funded from Appropriated State, FY22 Carryforward Funds (uncommitted balance \$47.96 million on August 8, 2022). The project is expected to result in an additional annual operating costs, but those amounts have not been determined at this time.

Full Project Estimate: \$4,000,000 (internal) funded by Appropriated State, FY22 Carryforward Funds.

Other: The estimate cost to complete the project has decreased from the 2022 CPIP submission due to the determination that more existing duct work can be used than originally anticipated. In addition, two other upgrades at Wateree CI that are ongoing including a new campus wide fire alarm and electrical upgrades will keep from having to update those systems with this project to ensure code compliance. These factors helped to reduce the projected cost.

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: Richland
From: Department of Administration
To: City of Columbia
Consideration: \$700 administrative fee
\$1
Description/Purpose: To grant a 0.73± acre (31,838 square feet) non-exclusive easement for the purpose of access, ingress, egress, construction, operation, reconstruction and maintenance of water lines and appurtenances serving the new SLED Forensic Lab Building. The term of the easement will be fifty (50) years. The easement will contain the State's standard 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 easement is being sought by SLED to provide water service to the new Forensic Lab Building and, as such, has requested that the easement be granted for nominal consideration. SLED has also determined that, in accordance with the requirement of the statute, the easement does not appear to materially impair the utility of the property or damage it. There are no exceptions requested with regard to the 2022 easement policy.
- (b) County Location: Richland
From: Clemson University
To: Dominion Energy South Carolina, Inc.
Consideration: \$2,100 administrative fees
\$60,700 negotiated price which exceeds the appraised value and includes the temporary construction license
Description/Purpose: To grant a 1.017± acre non-exclusive easement for the purpose of ingress, egress, access, laying, constructing, maintaining, operating, repairing, altering, replacing and removing a gas pipeline and appurtenant facilities on property owned by Clemson University. Also, to grant a 0.129± acre non-exclusive easement, together with a 0.051± acre access easement, for the purpose of installing, constructing, maintaining, operating, repairing, altering, replacing and removing a natural gas regulating and metering valve station. The new gas line will serve the growing northeast area of Columbia. The term of the easements will be fifty (50) years. The easements will contain the State's standard termination language that if the easement holder abandons the easement, is in breach, or ceases to use

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

the easement for its intended purpose, it will terminate. The University 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.

- (c) County Location: Richland
From: Clemson University
To: Carolina Gas Transmission, LLC
Consideration: \$700 administrative fee
\$8,000 negotiated price which exceeds the appraised value
Description/Purpose: To grant a 0.06± acre non-exclusive easement for the purpose of ingress, egress, installing, maintaining, inspecting, testing, modifying and repairing a metering and regulating station located immediately adjacent to the Dominion station on property owned by Clemson University. The metering and regulating station is part of the natural gas pipeline facilities that will serve the growing northeast area of Columbia. The term of the easement will be fifty (50) years. The easement will contain the State's standard 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 University 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.

- (d) County Location: Sumter
From: Department of Administration
To: Duke Energy Progress, LLC
Consideration: \$700 administrative fee
\$1
Description/Purpose: To grant an approximately 8.1± mile easement to construct, operate, maintain, relocate and replace an electric distribution system on property of the Manchester State Forest which is managed and operated by the South Carolina Forestry Commission. Duke Energy is rebuilding the electric lines in its service area. The new easement will benefit the Forestry Commission by removing the current lines, which adversely affect the property, so that they no longer traverse the property. The term of the easement will be fifty (50) years. The

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

easement will contain the State's standard 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 South Carolina Forestry Commission 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; however, in lieu of a survey, renderings have been provided by Duke Energy depicting the easement area due to the cost of a survey. Upon approval and prior to final issuance of the easement, an official survey will be provided.

- (e) County Location: Aiken
From: Aiken Technical College
To: Breezy Hill Water & Sewer Co., Inc.
Consideration: \$700 administrative fee
\$1
Description/Purpose: To grant a 1.61± acre non-exclusive easement and a 0.82± acre non-exclusive easement for the purpose of ingress, egress, operation, reconstruction and maintenance of sewer lines and water lines serving Aiken Technical College. The term of the easement will be fifty (50) years. The easement will contain the State's standard 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 easement is being sought by the College so that Breezy Hill Water & Sewer, a non-profit public utility provider, can operate and maintain the College's utility systems and, as such, has requested that the easement be granted for nominal consideration. The College 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.

AUTHORITY ACTION REQUESTED:

Approve granting the referenced easements as recommended by the Department of Administration, Facilities Management.

ATTACHMENTS:

Agenda item worksheet and attachments

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: November 9, 2022

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director

2. Subject: Easements

3. Summary and Background Information:

- (a) County Location: Richland
From: Department of Administration
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repairing, altering, replacing and removing a natural gas regulating and metering valve station. The new gas line will serve the growing northeast area of Columbia. The term of the easements will be fifty (50) years. The easements will contain the State's standard 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 University 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.

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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.

b. 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.

b. Recommendation of other office (as required)?

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

8. List of Supporting Documents:

- (a) SC Code of Laws Sections 1-11-70, 1-11-80, 1-11-100 and 10-1-130
- (b) Exhibits (plats, maps, etc.)
- a. City of Columbia – SLED
 - b. Dominion Energy South Carolina, Inc. – Clemson University
 - c. Carolina Gas Transmission, LLC – Clemson University
 - d. Duke Energy Progress, LLC – SC Forestry Commission
 - e. Breezy Hill Water & Sewer Co., Inc. – Aiken Technical College

SOUTH CAROLINA CODE OF LAWS

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

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

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

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

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

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

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

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



**South Carolina
Law Enforcement Division**

Henry D. McMaster, Governor

Mark A. Keel, Chief

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

Tel: (803) 737-9000

September 28, 2022

South Carolina Department of Administration
Division of Facilities Management & Property Services
1200 Senate Street, 6th Floor
Columbia, SC 29201

Re: SLED Request for Easement Approval

To Whom It May Concern:

SLED hereby requests approval of an easement for the City of Columbia to provide water service to SLED's new Forensic Laboratory located at 4700 Broad River Road in Columbia, South Carolina. SLED further requests that the easement be granted for nominal consideration. SLED has determined that the requested easement does not materially impair the utility of the property, nor will the easement damage the property. As justification for the duration of the easement, it's necessary to have the longest term possible, which we understand to be fifty years, in order to transfer responsibility of the water lines to the City of Columbia and the longer easement term will ensure the City's operation and maintenance of the lines.

Sincerely,

Mark Keel
SLED Chief



An Accredited Law Enforcement Agency



(a)

WATER RECORD DRAWING

SLED FORENSIC LAB BUILDING

PREPARED FOR:
SOUTH CAROLINA LAW ENFORCEMENT DIVISION
4400 BROAD RIVER ROAD
IN RICHLAND COUNTY, SC



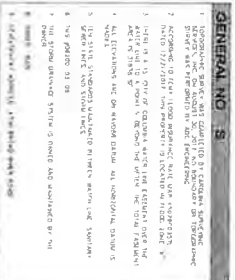
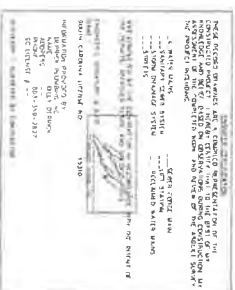
STORM DRAINAGE IS
PRIVATELY OWNED AND
MAINTAINED

THE WATER OPERATOR IS
THE CITY OF COLUMBIA
POST OFFICE BOX 147
COLUMBIA, SC 29217
TEL (803) 545-3400
FAX (803) 733-86741

THE SEWER OPERATOR IS
THE CITY OF COLUMBIA
POST OFFICE BOX 147
COLUMBIA, SC 29217
TEL (803) 545-3400
FAX (803) 733-86741



MAY 11, 2022



ADC ENGINEERING

CITY FILE #0352-08

NO.	DATE	BY	CHKD.	APP'D.
1	5/11/22	ADC		
2	5/11/22	ADC		
3	5/11/22	ADC		
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**SLED FORENSIC
LAB BUILDING**

LSP

7814 LAMAR BLVD
COLUMBIA, SOUTH CAROLINA 29201
TEL. 803/764-1118 FAX 803/765-0111
WWW.LAMAR.COM



Abstract In this article we describe a set of four brief, self-report measures of the Big Five personality factors. The measures are designed to be used in a variety of research contexts, from large-scale surveys to small-scale experiments. The measures are based on a set of 100 items that were developed using a series of focus groups and a series of pretests. The measures are designed to be used in a variety of research contexts, from large-scale surveys to small-scale experiments. The measures are based on a set of 100 items that were developed using a series of focus groups and a series of pretests.

Reviewed by

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WATERLINE
RECORD
DRAWING

RD1.1

CITY FILE #352-08

ENLARGEMENT

GRAPHIC SCALE

100



September 23, 2022

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

RE: Dominion Energy Easement for new pipeline and station and Carolina Gas Easement for new natural gas station on Clemson University owned property in Columbia – Sandhill REC

Office of Land & Capital
Asset Stewardship

CU-ICAR
5 Research Drive
Greenville, SC 29607

P 864-283-7100
F 864-283-7125

Dear Ms. Gordon:

Clemson University has been approached by Dominion Energy regarding a temporary construction license and easement related to installation of a new gas line to service the growing northeast area of Columbia. In addition to this, Carolina Gas has also requested an easement to install a new natural gas station which will support Dominion's request. These requests are related to the property Clemson University owns known as the Sandhill Research and Education Center (REC).

Dominion's requested easements (total of 3) encompass 1.197 acres and will accommodate a 10-foot easement which will run along the University's property line, as well as access to and installation of a valve station. In addition to the easement, Dominion has requested a temporary use of 3.033 acres during construction which is anticipated to be no more than 3-6 months. Dominion has agreed to compensate the University a negotiated total of \$60,700 and pay the DOA a \$2,100 administration fee for both the temporary construction license and easements.

In addition, to the compensation, Dominion has agreed to remove a small area of pine trees which has not been large enough to attract interest from a logger due to its size. This will remove a liability to the REC given the age of the timber and its proximity to an adjoining subdivision. Dominion will also stump, stabilize, and replant native grasses in this area.

Carolina Gas has requested a .06-acre easement to accommodate a valve station located immediately adjacent to the Dominion station. Carolina Gas will compensate Clemson at a negotiated price totaling \$8,000 and will pay DOA a \$700 administration fee for the easement.

Finally, the proposed easements are requested to be for a period of 50 years given that they will not materially impair or impact the education and research conducted at Sandhill REC and the additional work Dominion has agreed to, which includes

(b)



replacement of the timber areas with native grasses, will enhance the REC and assist with potential liabilities from felled trees. Additionally, Clemson recognizes the investment that is being made to the easement areas and believes a 50-year easement is appropriate. Given the 50-year request, an easement is the correct documentation to memorialize the transaction as opposed to a lease or license agreement which are typically shorter periods of time and are not standard documents used in the placement of utilities.

Enclosed please find two easements and one temporary construction license agreement from Dominion and one easement from Carolina Gas which have been approved by Clemson University. If you will please place these on the November meeting agenda, I would appreciate it. Thank you in advance for your attention to this matter. If you have any questions, please do not hesitate to contact me at (864) 283-7107.

Kindest regards,

A handwritten signature in black ink, appearing to read "Laura H. Stoner".

Laura H. Stoner
Director

Enclosure

Cc: Carol Routh

AREA TABLE

EASEMENT TYPE	ACRES	SQ. FT.
EASEMENT	1.017	44,298
TCL	3.033	132,103
ACCESS EASEMENT	0.051	2,207
STATION EASEMENT	0.129	5,625

EXHIBIT A

PROPERTY LINES DEPICTED ON THIS EXHIBIT DERIVED FROM DEEDS AND PLATS OF RECORD WITH TIES TO AVAILABLE PROPERTY CORNERS AND OTHER EVIDENCE OF POSSESSION BY FIELD SURVEY. THIS EXHIBIT IS NOT A PROPERTY BOUNDARY SURVEY. ALL PROPERTY LINE LOCATIONS SUBJECT TO FULL BOUNDARY SURVEY OF THE DEPICTED PARCEL. ALL DISTANCES SHOWN ARE SOUTH CAROLINA STATE GRID SCALE.

N/F
LESLIE H. KEMP
& ADOLPH KEMP
PARCEL ID R23011-02-02
DB 2310 PG 1897
PB 54 PG 3622

N/F
LARRY L. EVANS
PARCEL ID R23011-02-03
DB 1356 PG 1724
PB 54 PG 3622

GEODETTIC AND SC STATE GRID POINT DATA

HORIZONTAL DATUM: NAD83 (2011)
POINT NUMBER: 101
SC GRID COORDINATES:
NORTH: 840,695.75'
EAST: 2,037,043.96'
GEODETTIC COORDINATES:
LATITUDE: N34°08'38.14826"
LONGITUDE: W80°52'39.19783"
POINT NUMBER: 108
SC GRID COORDINATES:
NORTH: 840,646.97'
EAST: 2,037,225.86'
GEODETTIC COORDINATES:
LATITUDE: N34°08'37.66354"
LONGITUDE: W80°52'37.03400"

CENTERLINE OF ACCESS EASEMENT

PT - PT	BEARING	LENGTH
101 - 102	S64°08'37"E	20.32'
102 - 103	S55°20'11"E	20.32'
103 - 104	S43°46'07"E	55.73'
104 - 105	S69°14'35"E	61.02'
105 - 106	N84°31'39"E	8.61'
106 - 107	N45°57'13"E	39.31'
107 - 108	N69°39'37"E	15.42'

LINE TABLE

LINE	BEARING	LENGTH
L1	N20°10'52"W	25.00'
L2	N69°49'08"E	75.00'
L3	S20°10'52"E	75.00'
L4	S69°49'08"W	75.00'
L7	S27°46'00"E	39.64'
L10	N27°46'00"W	56.71'
L22	S20°10'52"E	15.00'
L25	S27°46'00"E	54.02'
L28	N76°04'23"W	13.39'
L40	S27°46'00"E	14.12'

NOTES

1. AREA BY COORDINATE COMPUTATION METHOD
2. ALL DISTANCES ARE HORIZONTAL GROUND DISTANCES IN INTERNATIONAL FEET
3. PROPERTY SUBJECT TO ANY VALID & ENFORCEABLE EASEMENTS, RESTRICTIONS, & RIGHTS OF WAY.
4. SURVEY IS BASED ON PHYSICAL EVIDENCE AND EXISTING MONUMENTATION FOUND DURING THIS FIELD SURVEY.
5. PROPOSED ACCESS THROUGH EXISTING DRIVEWAY/GATE.

LEGEND

- COMPUTED POINT (NOT SET)
- E EASEMENT
- TCL TEMPORARY CONSTRUCTION LICENSE
- AE ACCESS EASEMENT
- SE STATION EASEMENT
- POC POINT OF COMMENCEMENT
- POB POINT OF BEGINNING
- R/W RIGHT OF WAY
- N/F NOW OR FORMERLY

- SUBJECT PARCEL
- SUBJECT EASEMENT
- R/W STREET RIGHT OF WAY
- ADJACENT PARCEL
- EXISTING EASEMENT
- CENTERLINE
- TIE LINE

SGC SURVEYING NC, PLLC
156B RACEWAY DRIVE
MOORESVILLE, NC 28117
PHONE: (800) 581-4031

DOMINION ENERGY
EXHIBIT - PARCEL #42

EASEMENT ACROSS THE LAND OF
CLEMSON UNIVERSITY

900 CLEMSON ROAD, CITY OF COLUMBIA
RICHLAND COUNTY, SOUTH CAROLINA

Dominion Energy

DOMINION ENERGY
SOUTH CAROLINA, INC.
601 TAYLOR ROAD
CAYCE, SOUTH CAROLINA 29033
TELEPHONE NO. (800) 251-7234

REVISION

REV. 5 (9/26/22)

DATE: 03/23/2022

DRAWN BY: TBC

CHECK BY: EFC

SCALE: 1"=100'

DEED: 608

PAGE: 486

1 OF 8

WATER RECORD DRAWING

SLED FORENSIC LAB BUILDING

PREPARED FOR:
SOUTH CAROLINA LAW ENFORCEMENT DIVISION
4400 BROAD RIVER ROAD
IN RICHLAND COUNTY, SC



VICINITY MAP
GRAPHIC SCALE
1" = 1000'

OWNER/DEVELOPER

OWNER: SLED
DEVELOPMENT ADDRESS: 4400 BROAD RIVER ROAD
CONTACT: MARK REEL
PHONE: 803-386-1001



STORM DRAINAGE IS
PRIVATELY OWNED AND
MAINTAINED

THE WATER OPERATOR IS
THE CITY OF COLUMBIA
POST OFFICE BOX 147
COLUMBIA, SC 29217
TEL: (803) 545-3400
FAX: (803) 733-8674

THE SEWER OPERATOR IS
THE CITY OF COLUMBIA
POST OFFICE BOX 147
COLUMBIA, SC 29217
TEL: (803) 545-3400
FAX: (803) 733-8674



MAY 11, 2022

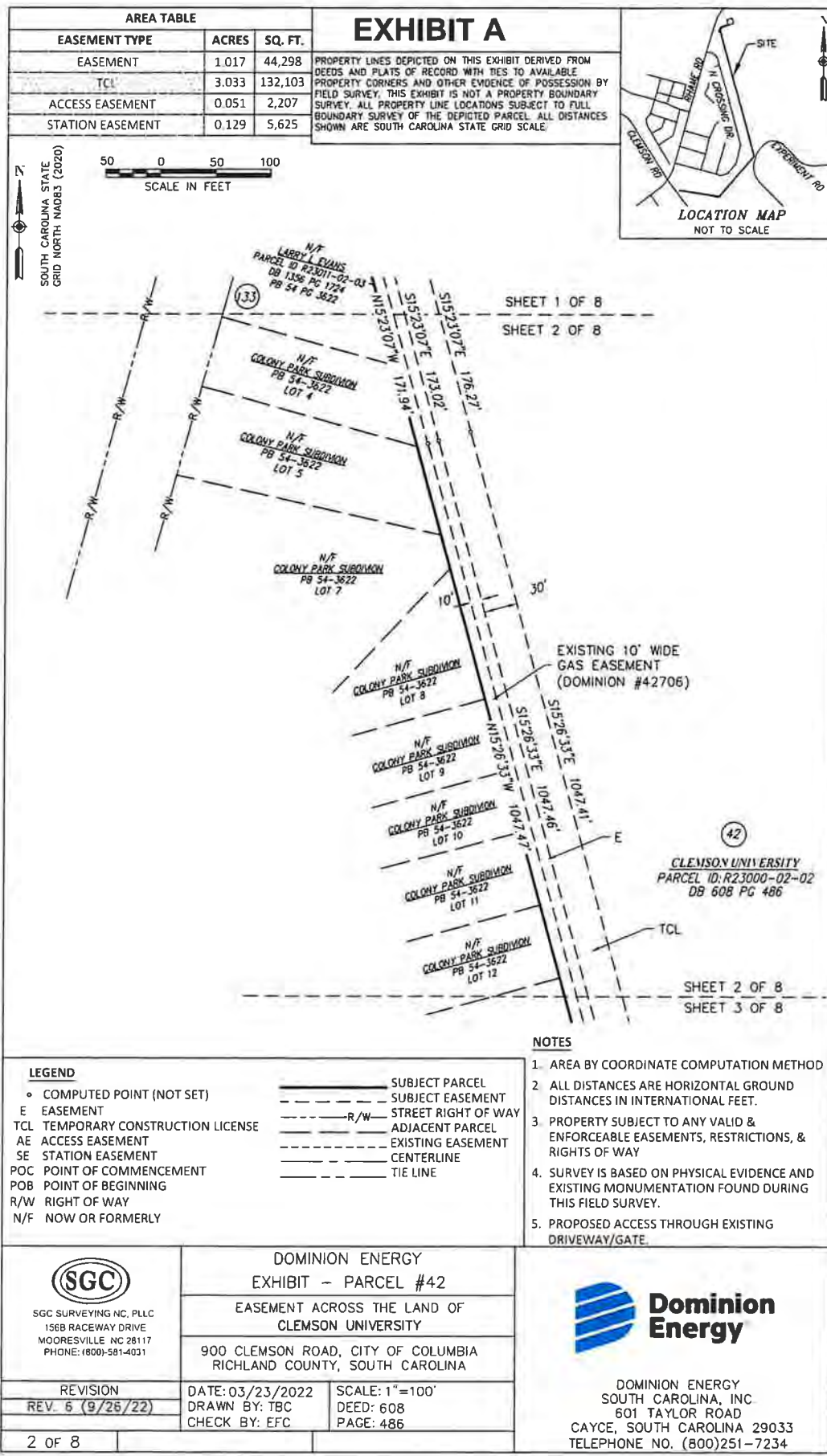


CITY FILE #352-08

ADC ENGINEERING

DATE	BY	APP'D
5/11/22	MARK REEL	
5/11/22	MARK REEL	

(b)



AREA TABLE

EASEMENT TYPE	ACRES	SQ. FT.
EASEMENT	1.017	44,298
TCL	3.033	132,103
ACCESS EASEMENT	0.051	2,207
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SOUTH CAROLINA STATE
GRID NORTH NAD83 (2020)

42
CLEMSON UNIVERSITY
PARCEL ID: R23000-02-02
DB 608 PG 486

NOTES

LEGEND

- COMPUTED POINT (NOT SET)
- E EASEMENT
- TCL TEMPORARY CONSTRUCTION LICENSE
- AE ACCESS EASEMENT
- SE STATION EASEMENT
- POC POINT OF COMMENCEMENT
- POB POINT OF BEGINNING
- R/W RIGHT OF WAY
- N/F NOW OR FORMERLY

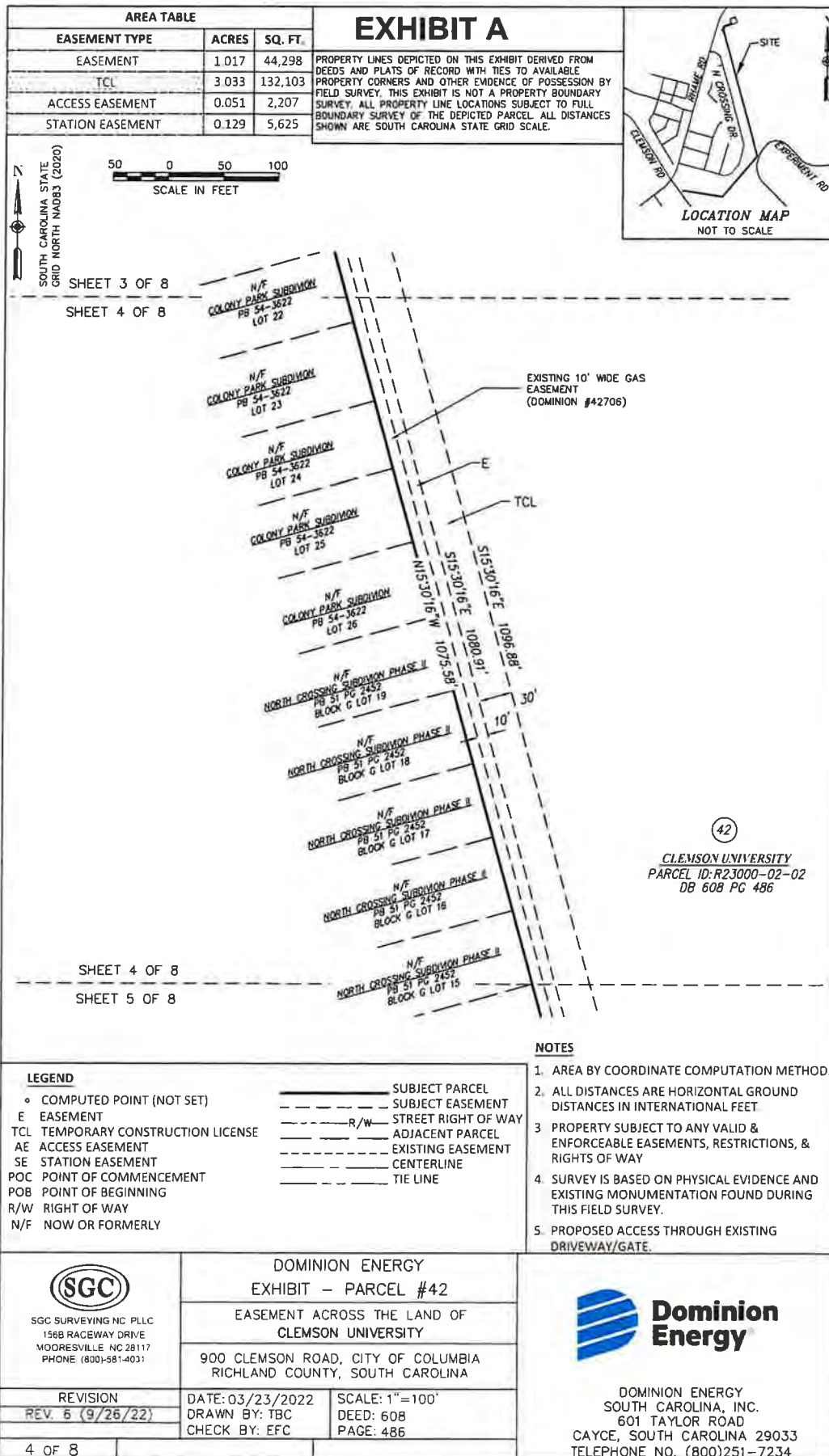
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- STREET RIGHT OF WAY
- ADJACENT PARCEL
- EXISTING EASEMENT
- CENTERLINE
- TIE LINE

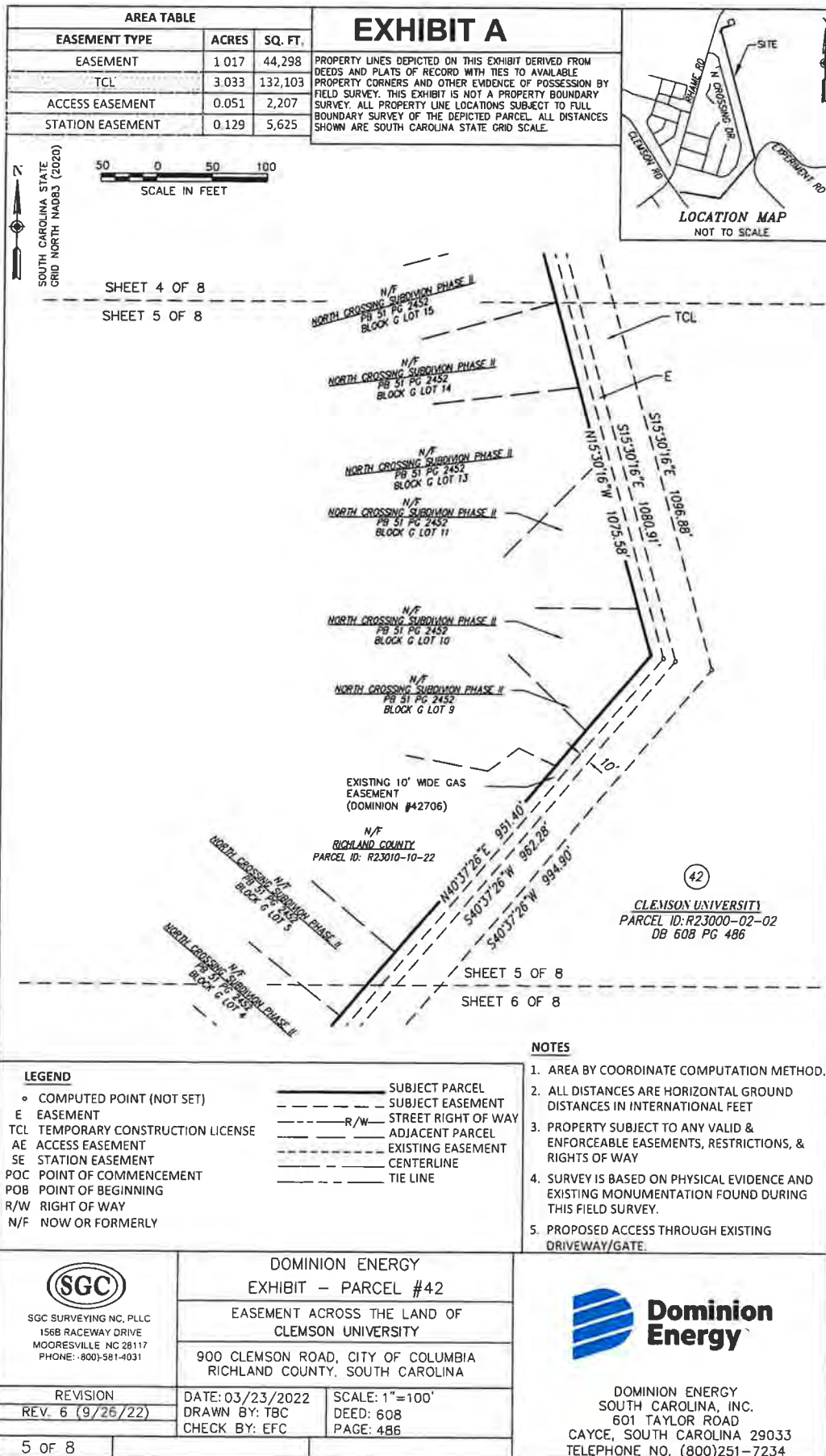
- AREA BY COORDINATE COMPUTATION METHOD
- ALL DISTANCES ARE HORIZONTAL GROUND DISTANCES IN INTERNATIONAL FEET.
- PROPERTY SUBJECT TO ANY VALID & ENFORCEABLE EASEMENTS, RESTRICTIONS, & RIGHTS OF WAY.
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- PROPOSED ACCESS THROUGH EXISTING DRIVEWAY/GATE.

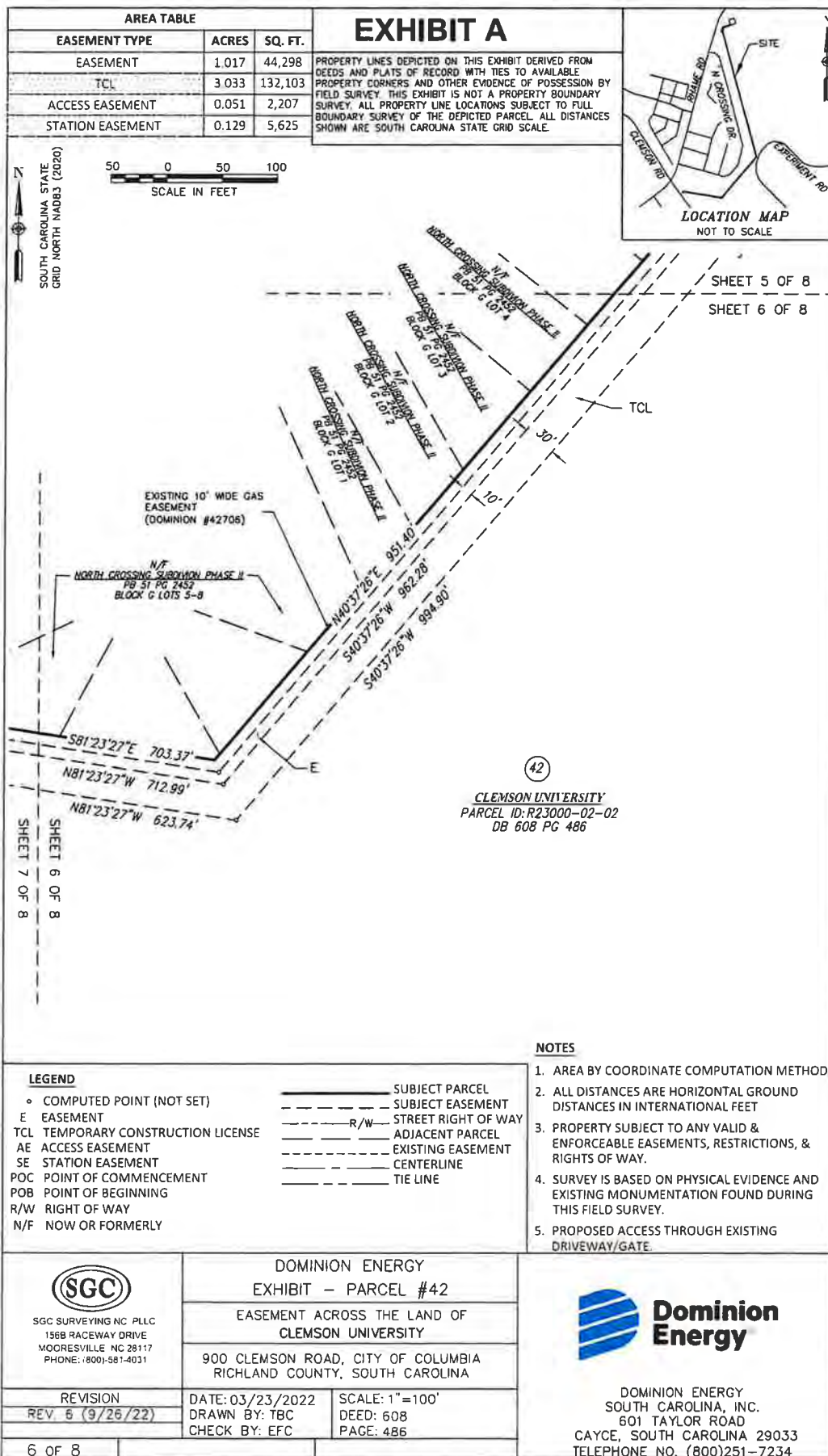
 SGC SURVEYING NC, PLLC 156B RACEWAY DRIVE MOORESVILLE, NC 28117 PHONE: (800)-581-4031	DOMINION ENERGY EXHIBIT - PARCEL #42	
	EASEMENT ACROSS THE LAND OF CLEMSON UNIVERSITY	
	900 CLEMSON ROAD, CITY OF COLUMBIA RICHLAND COUNTY, SOUTH CAROLINA	
	REVISION REV. 5 (9/26/22)	DATE: 03/23/2022 DRAWN BY: TBC CHECK BY: EFC

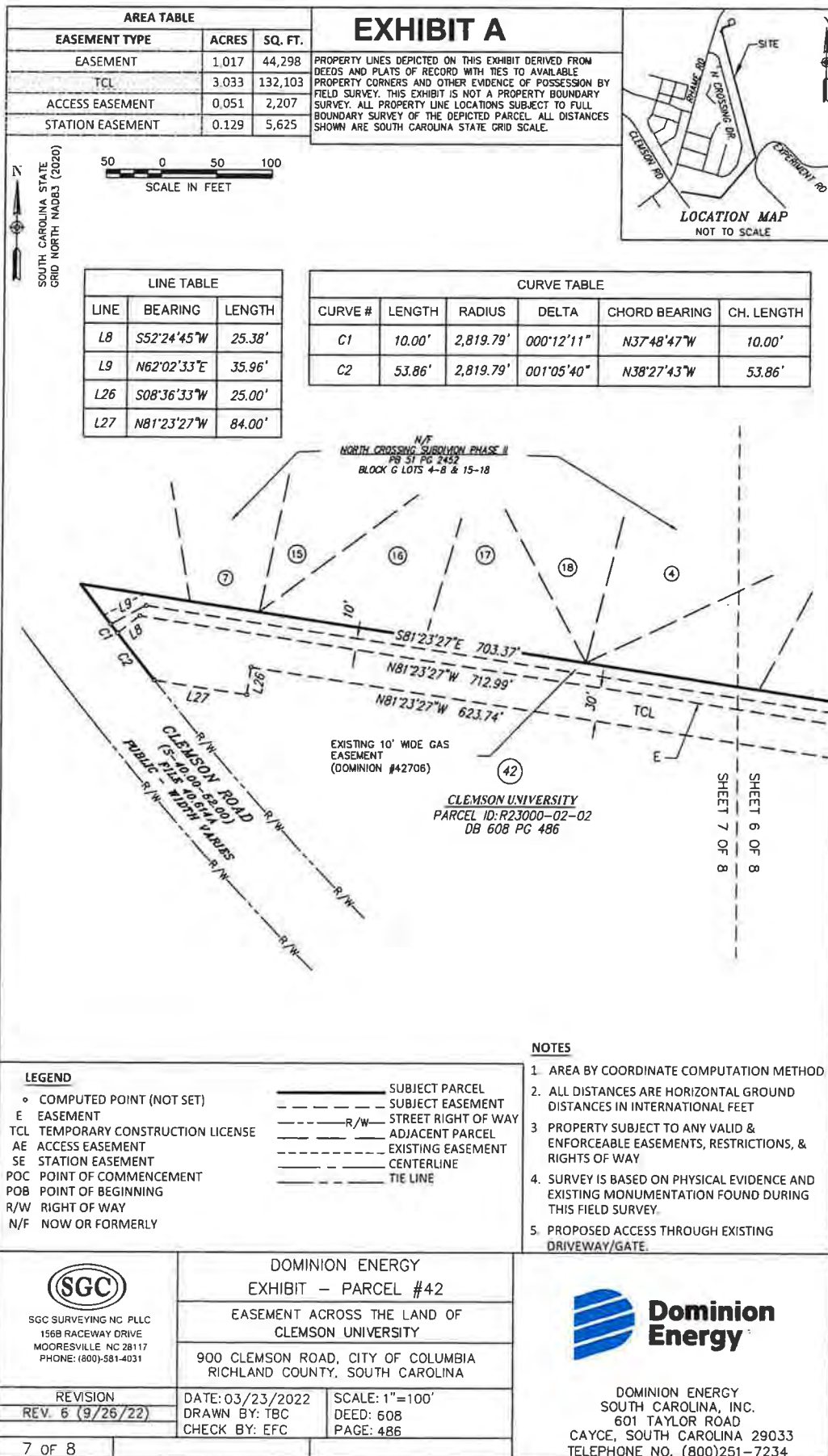
DOMINION ENERGY
SOUTH CAROLINA, INC.
601 TAYLOR ROAD
CAYCE, SOUTH CAROLINA 29033
TELEPHONE NO. (800)251-7234

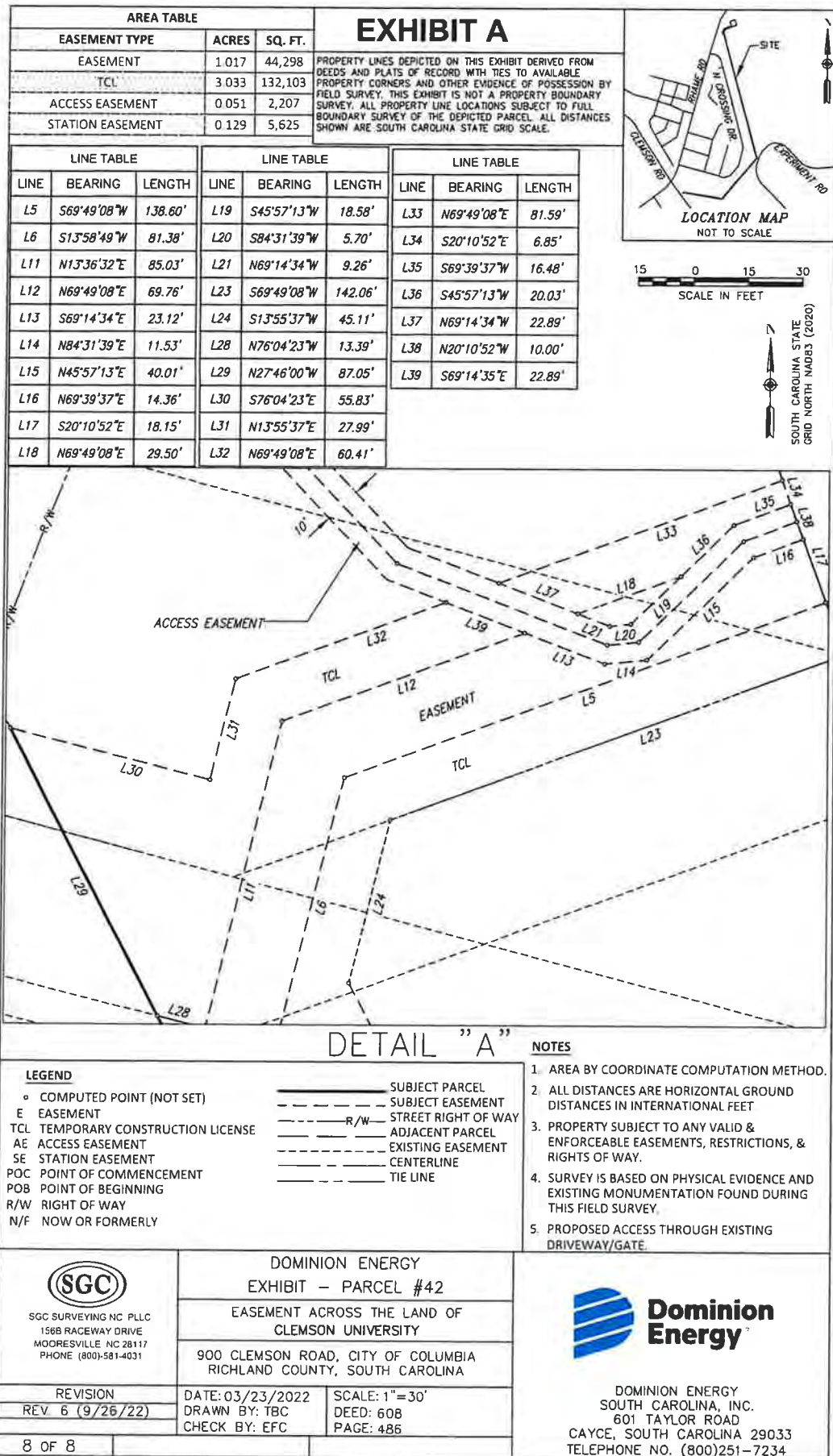
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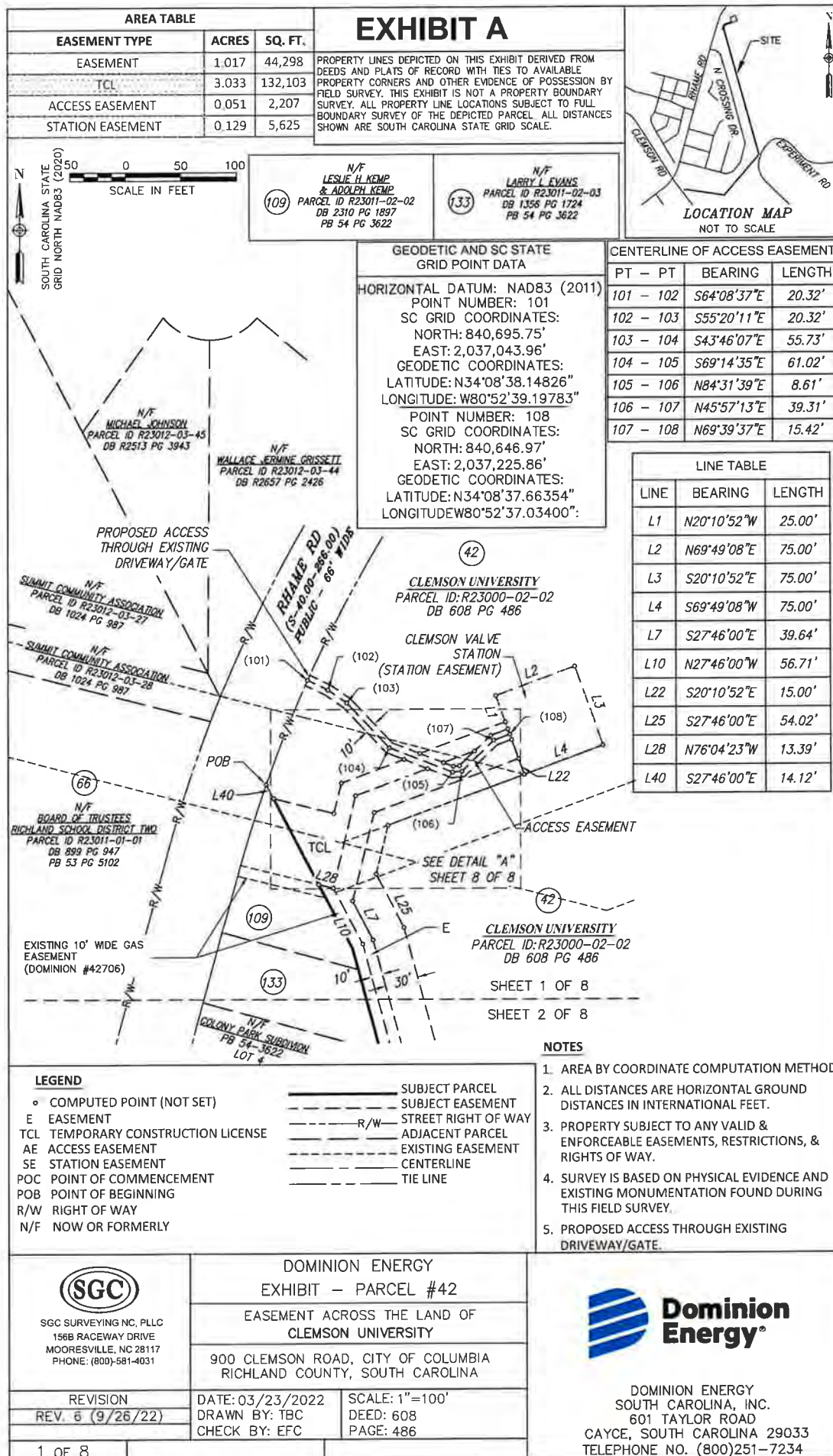


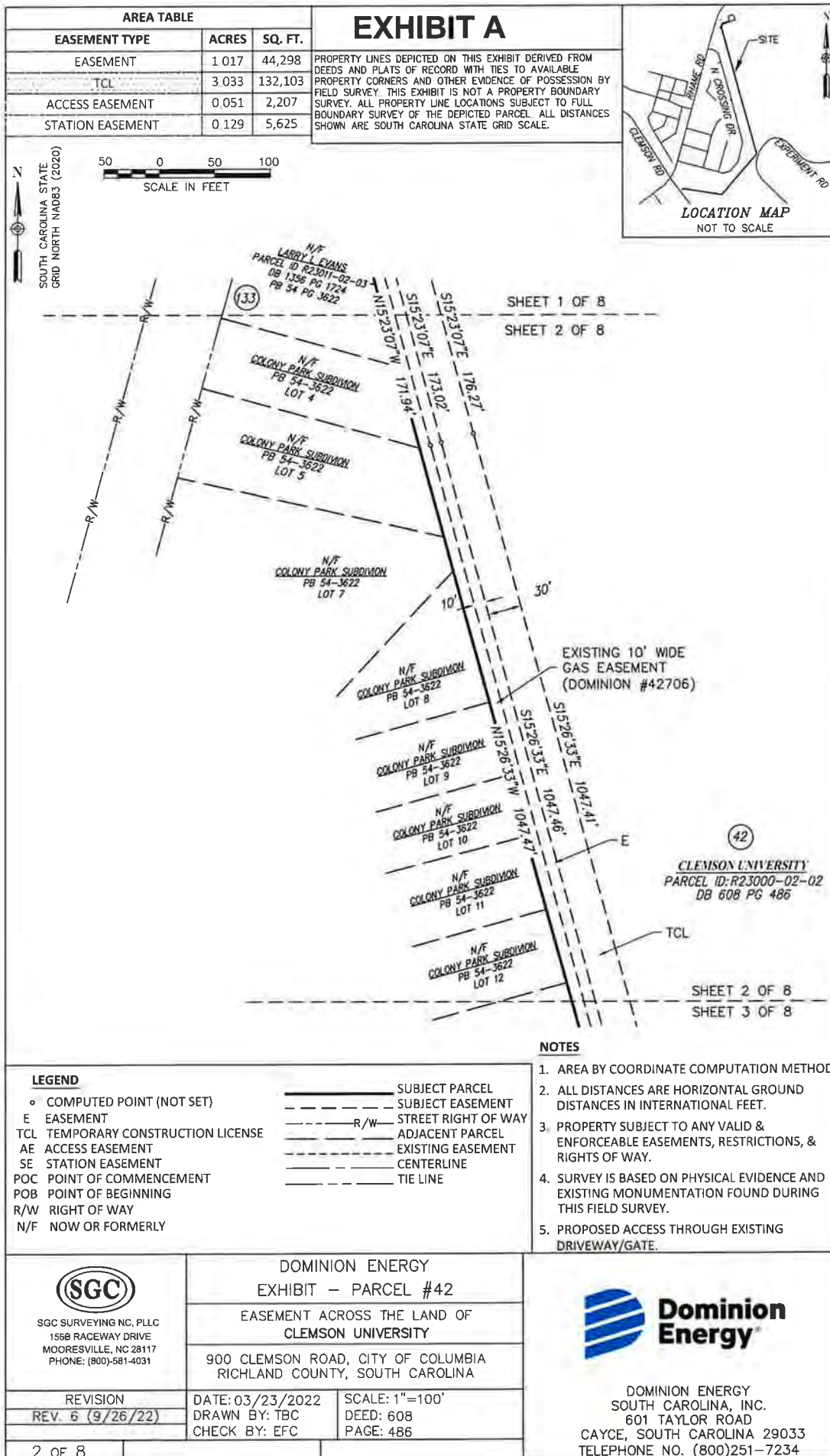


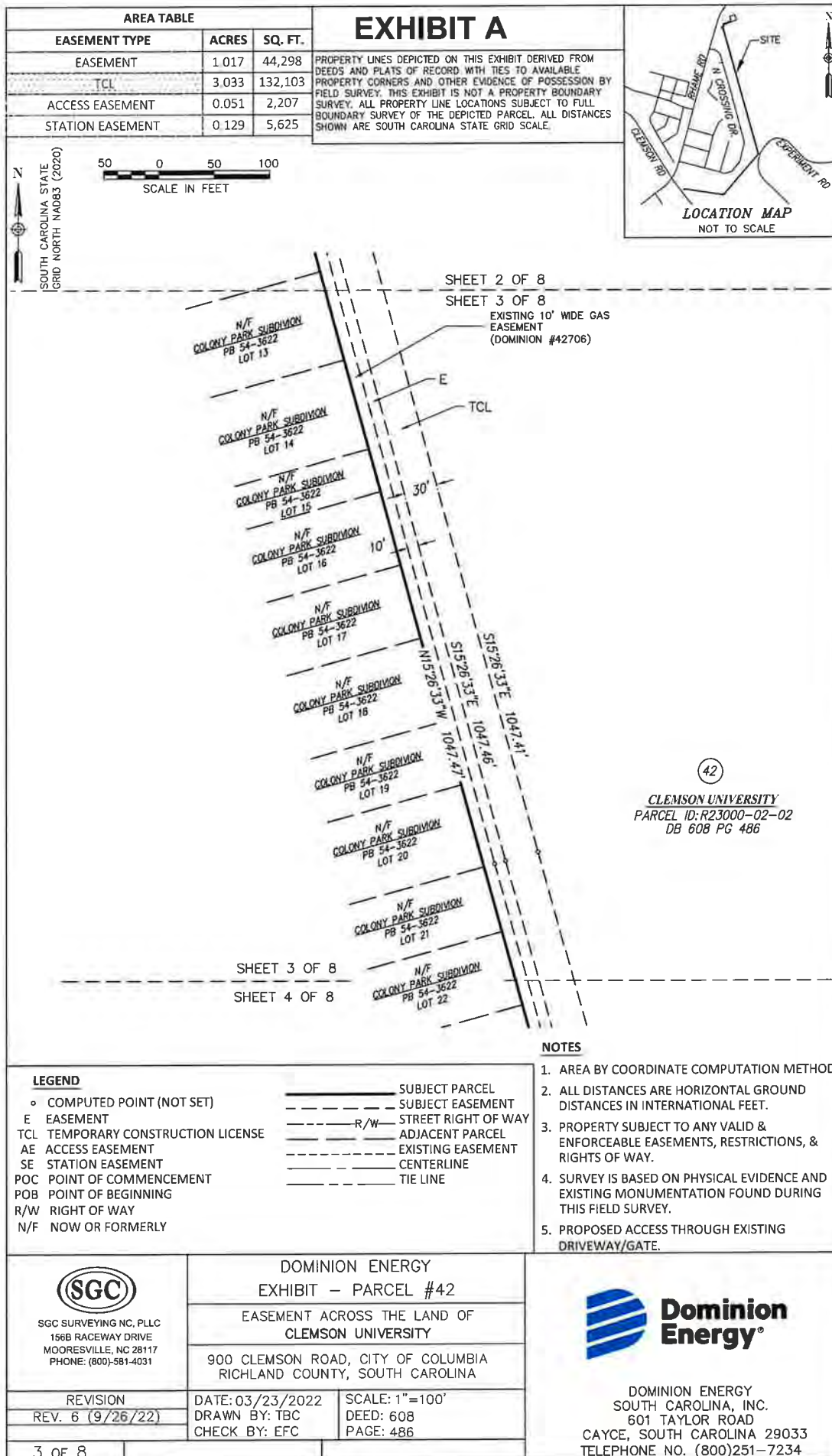


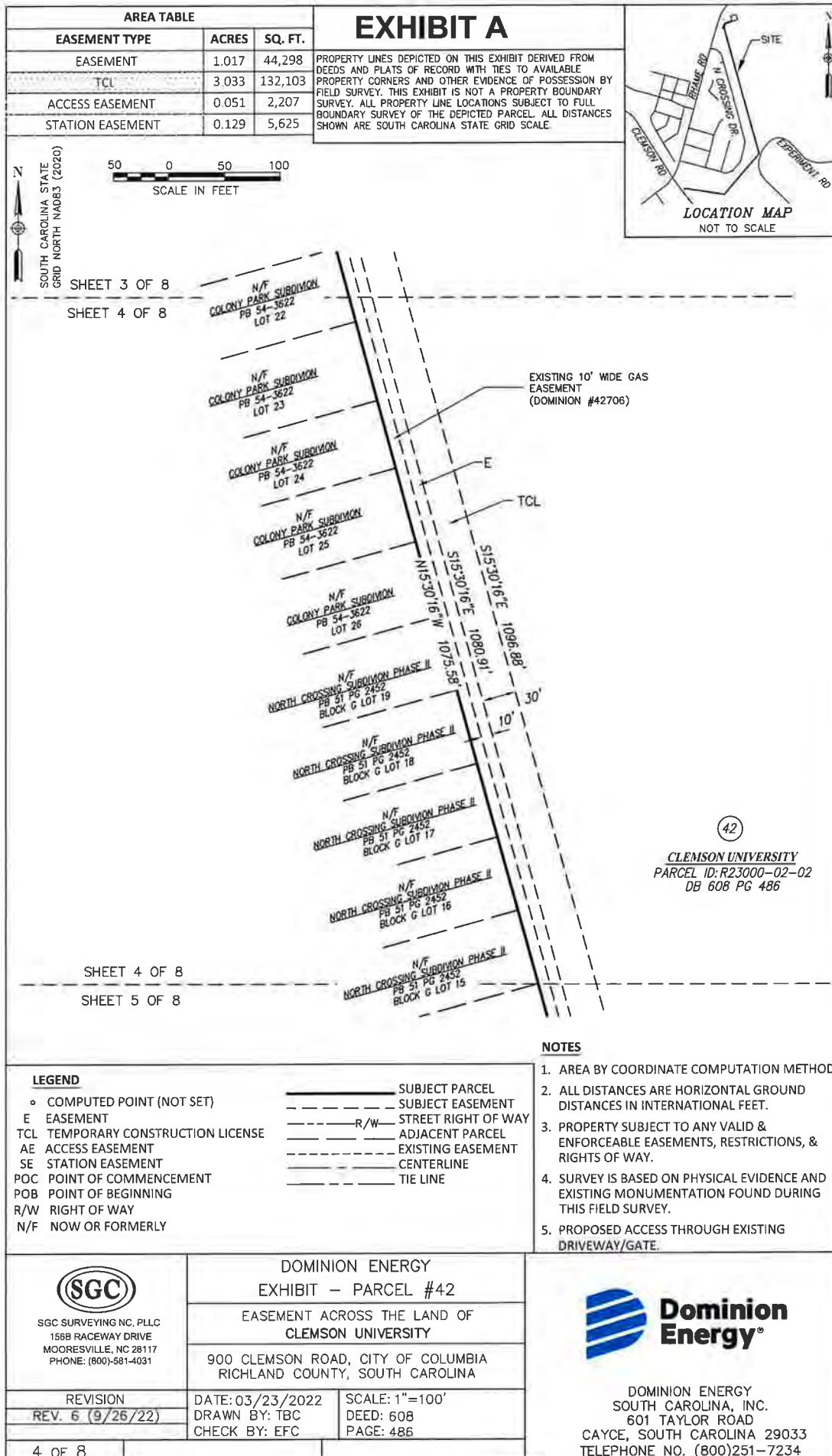


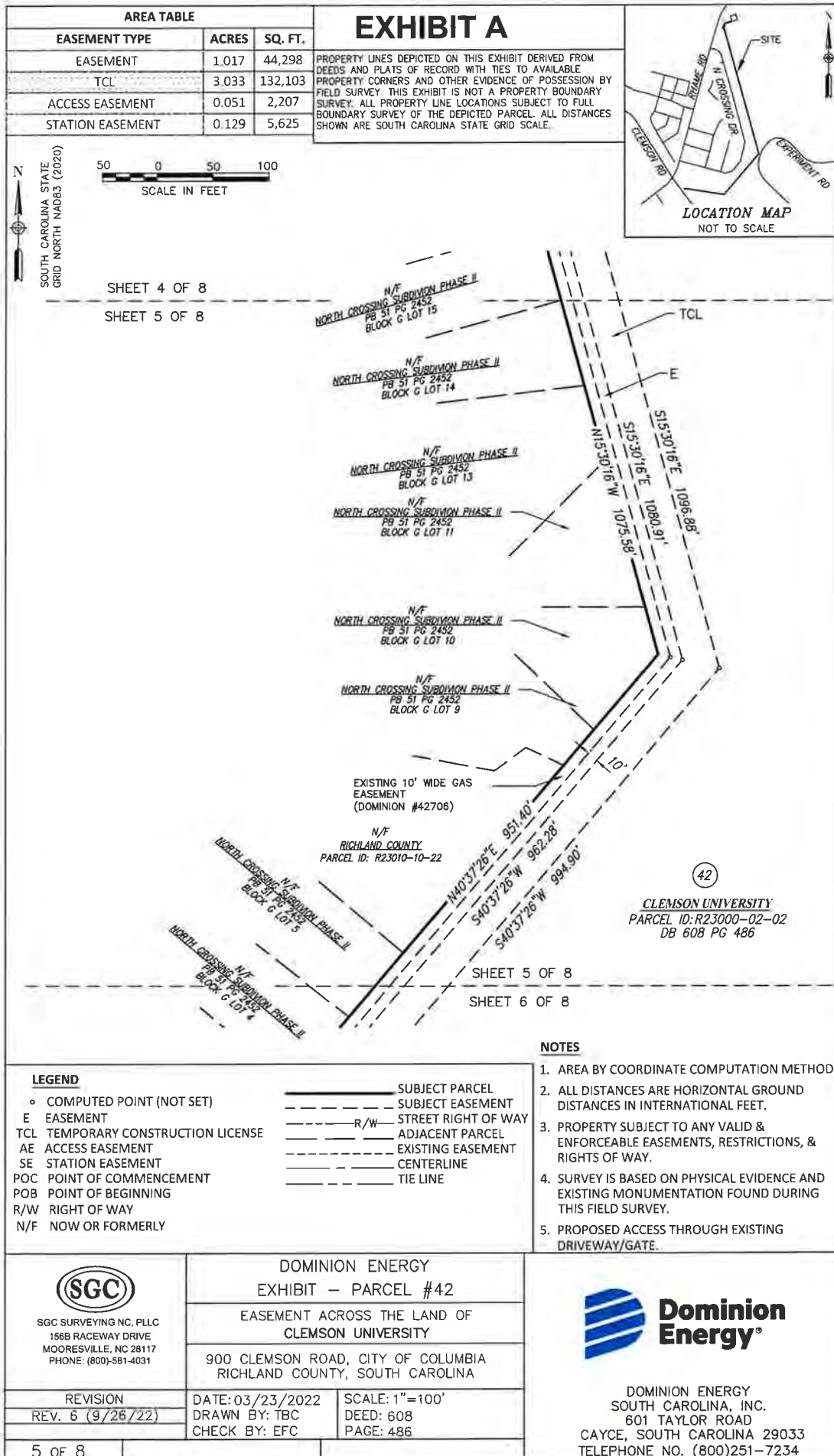
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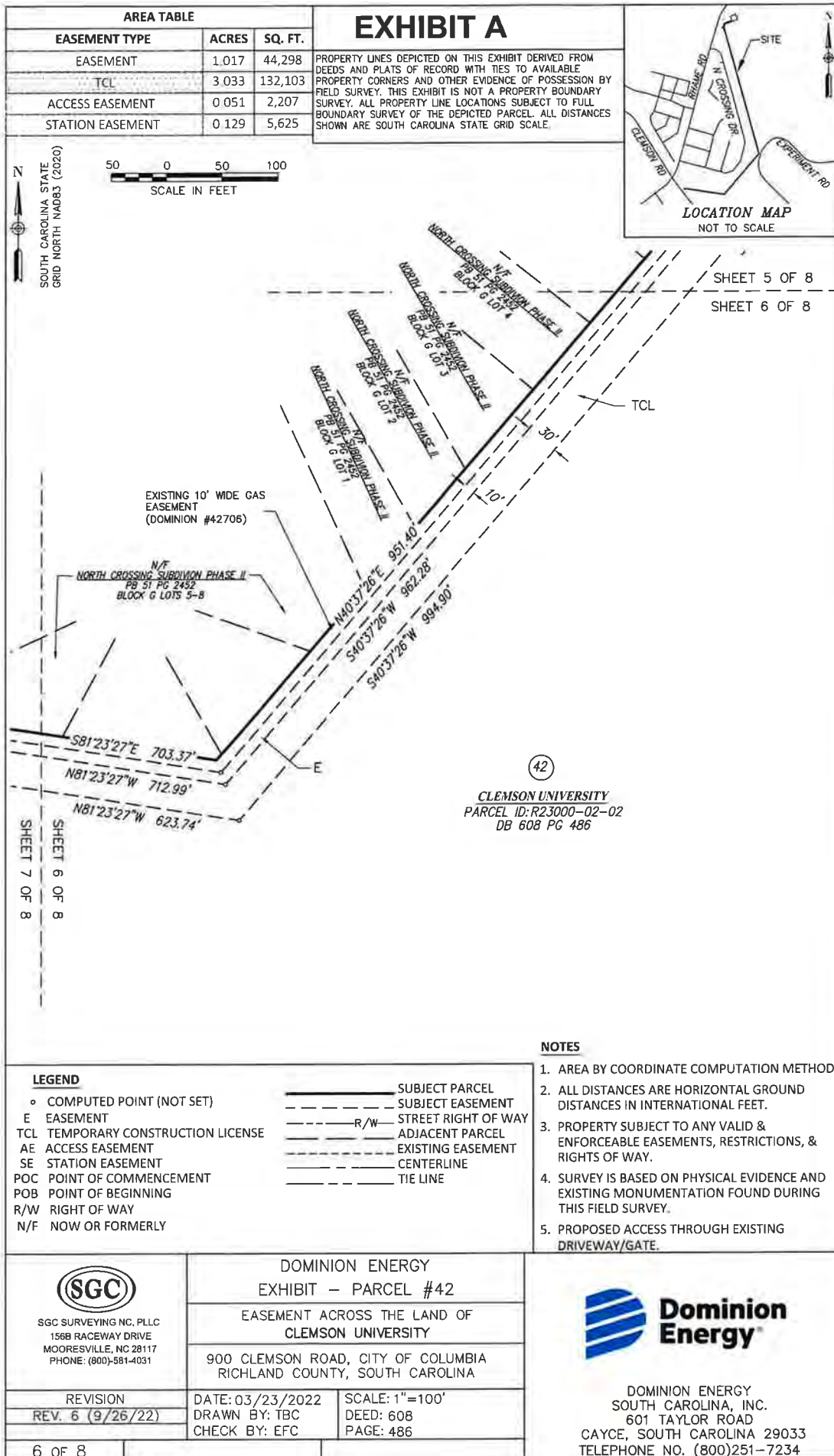


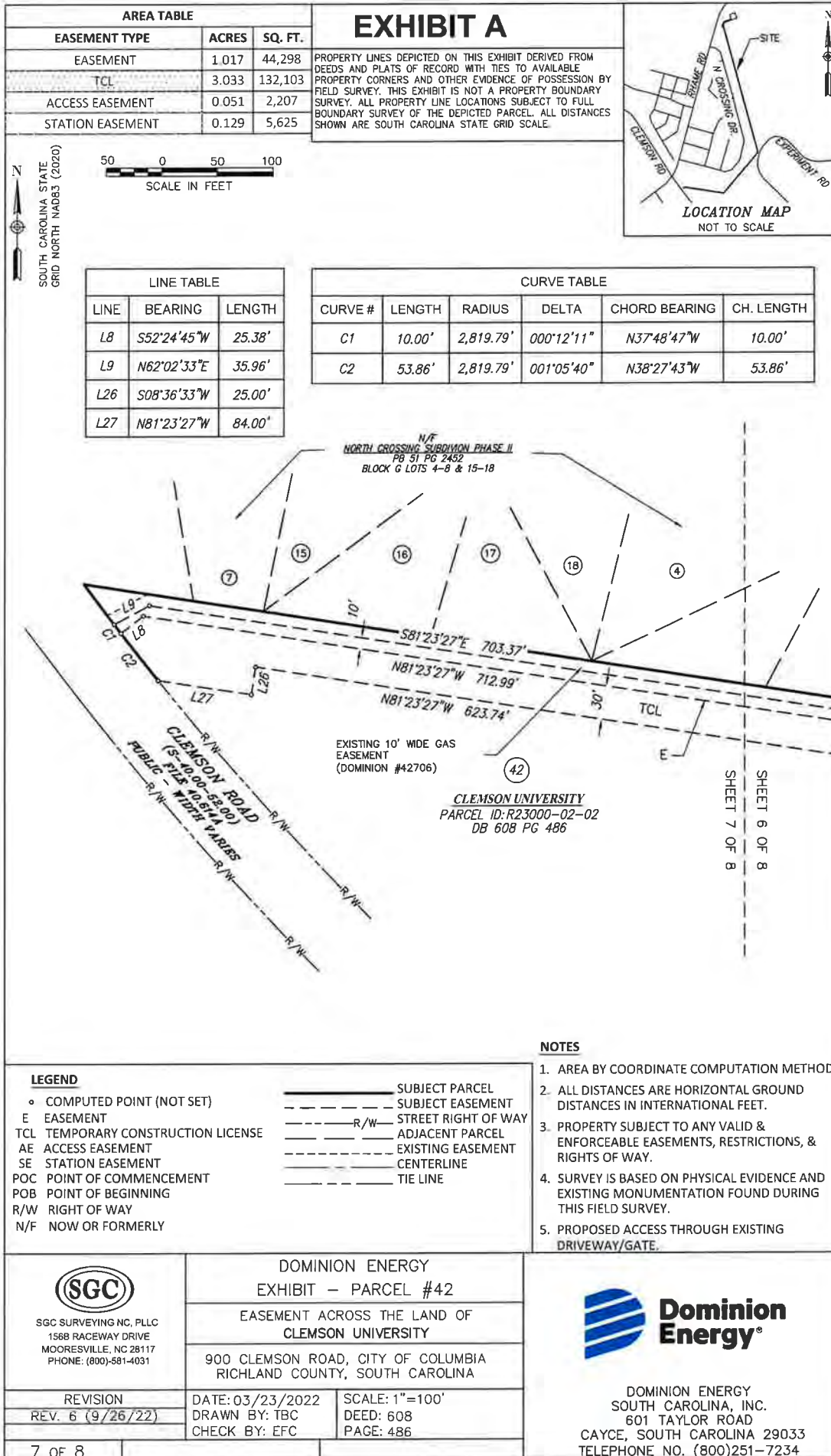












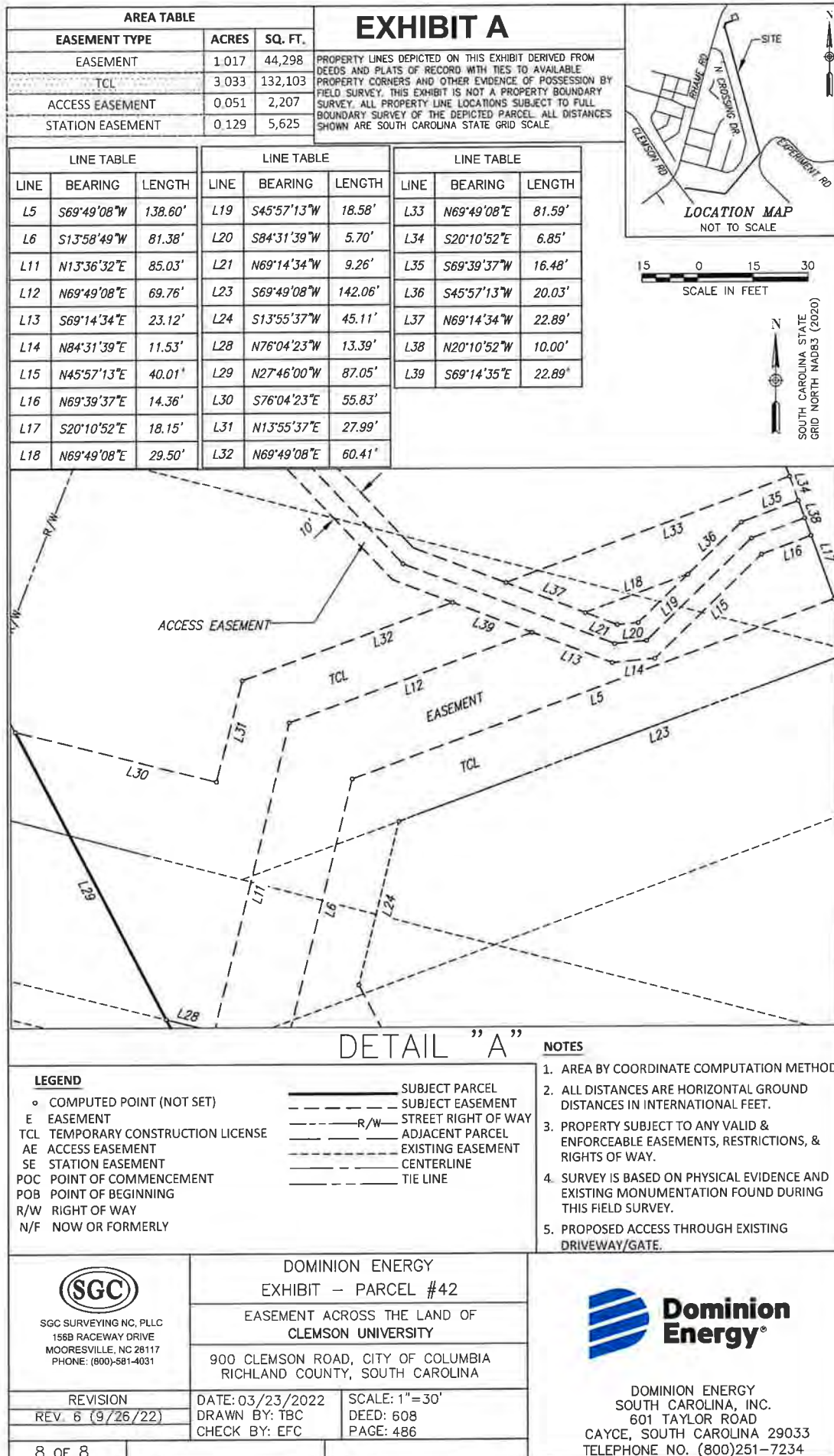
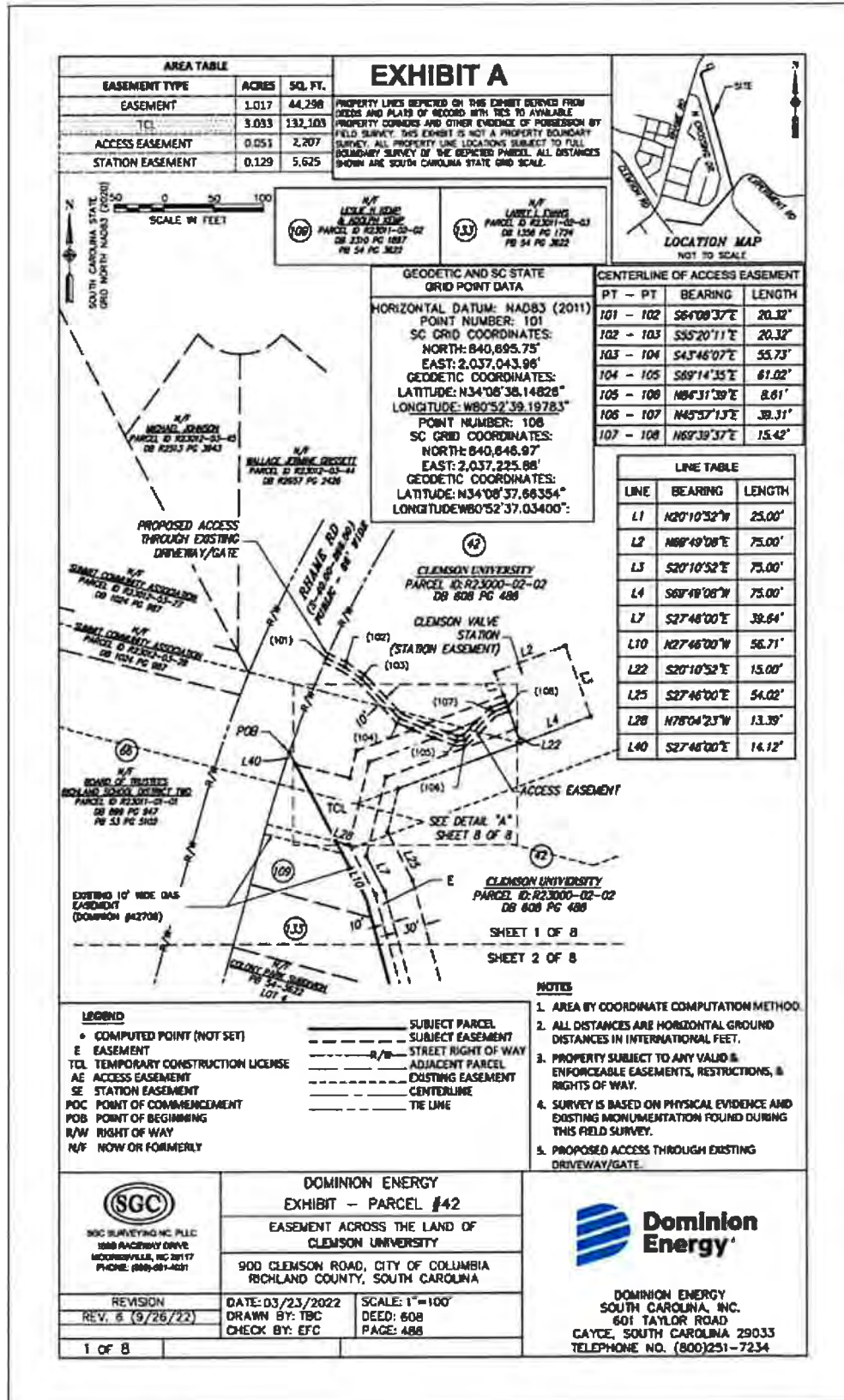
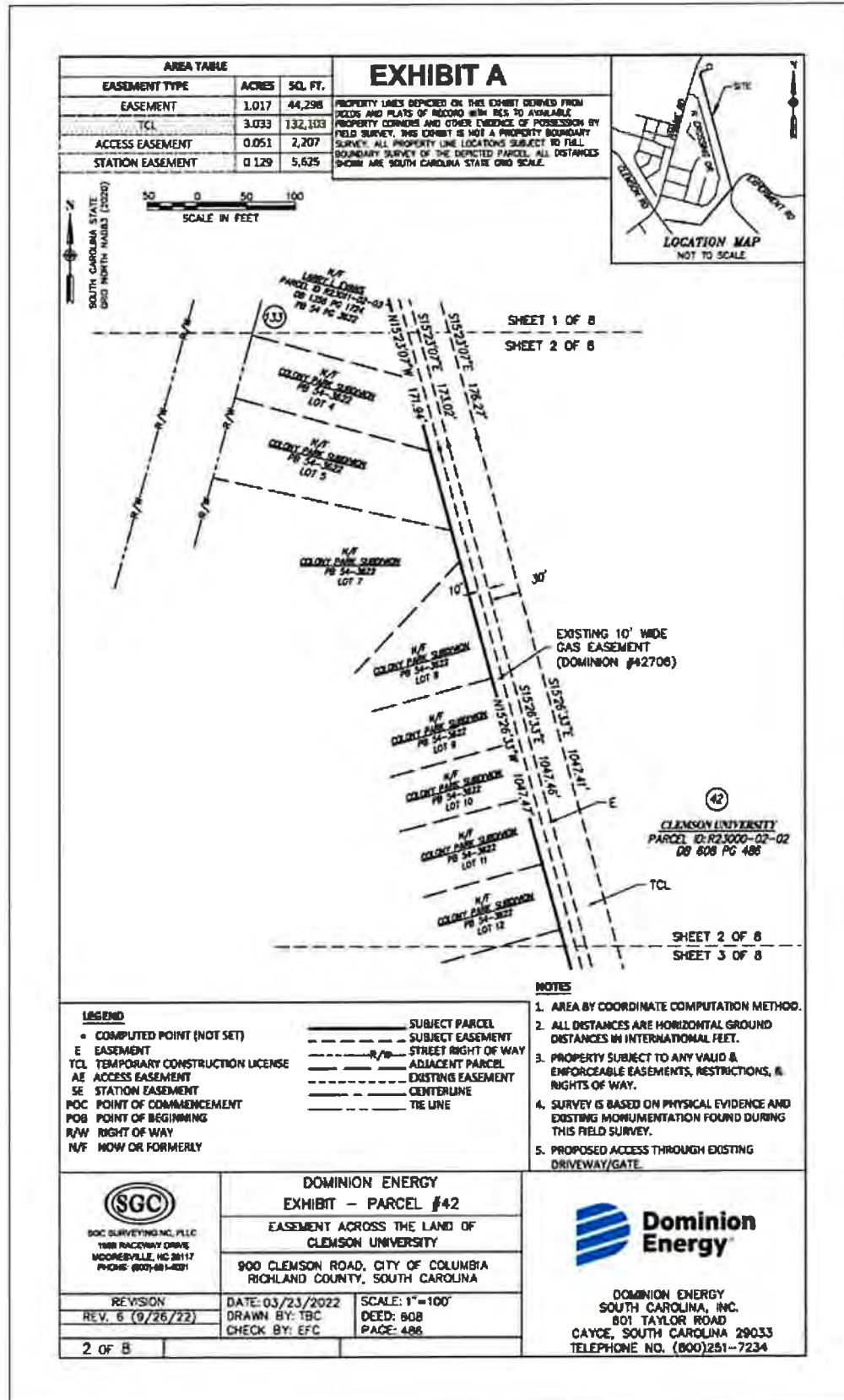
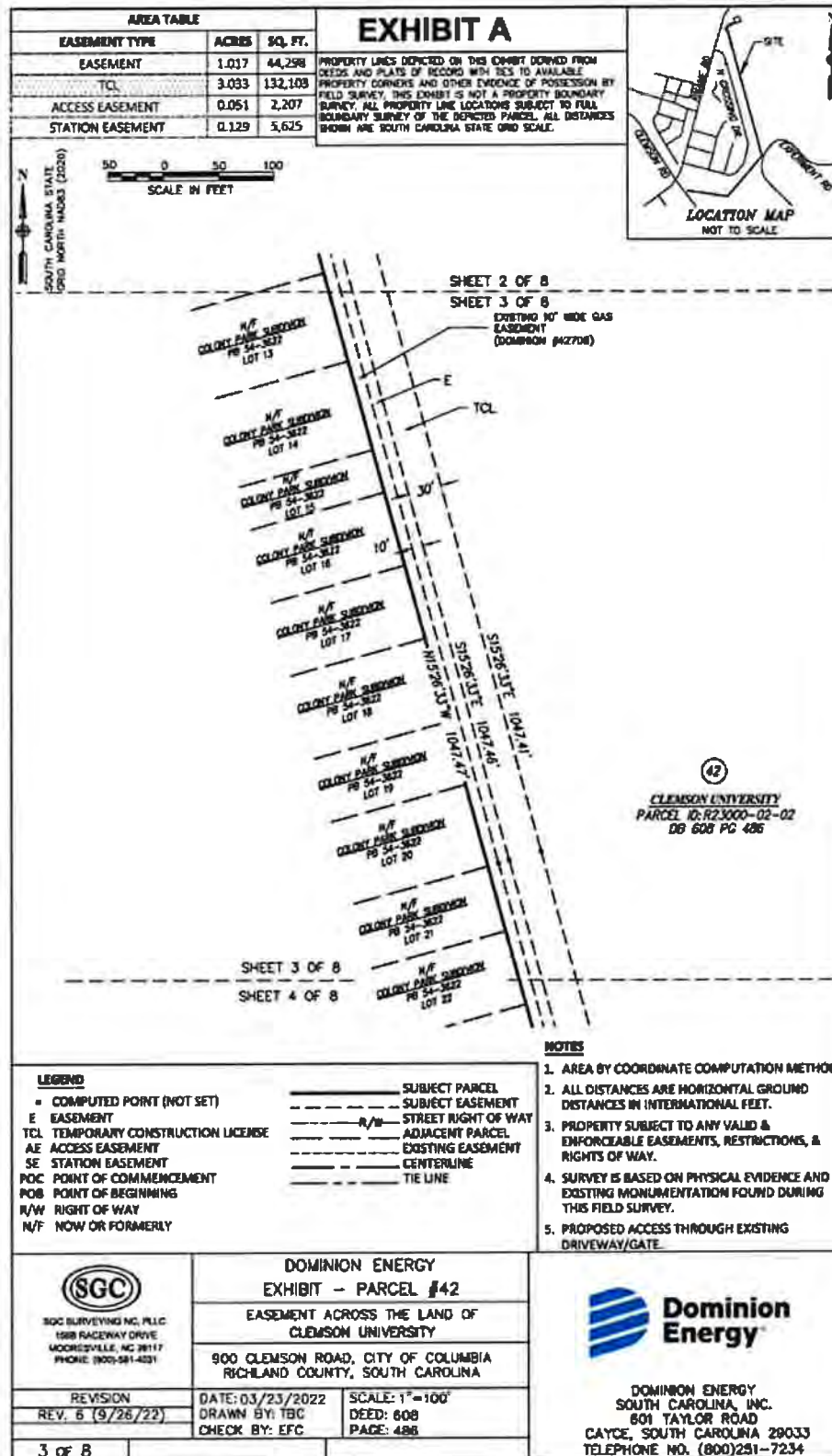
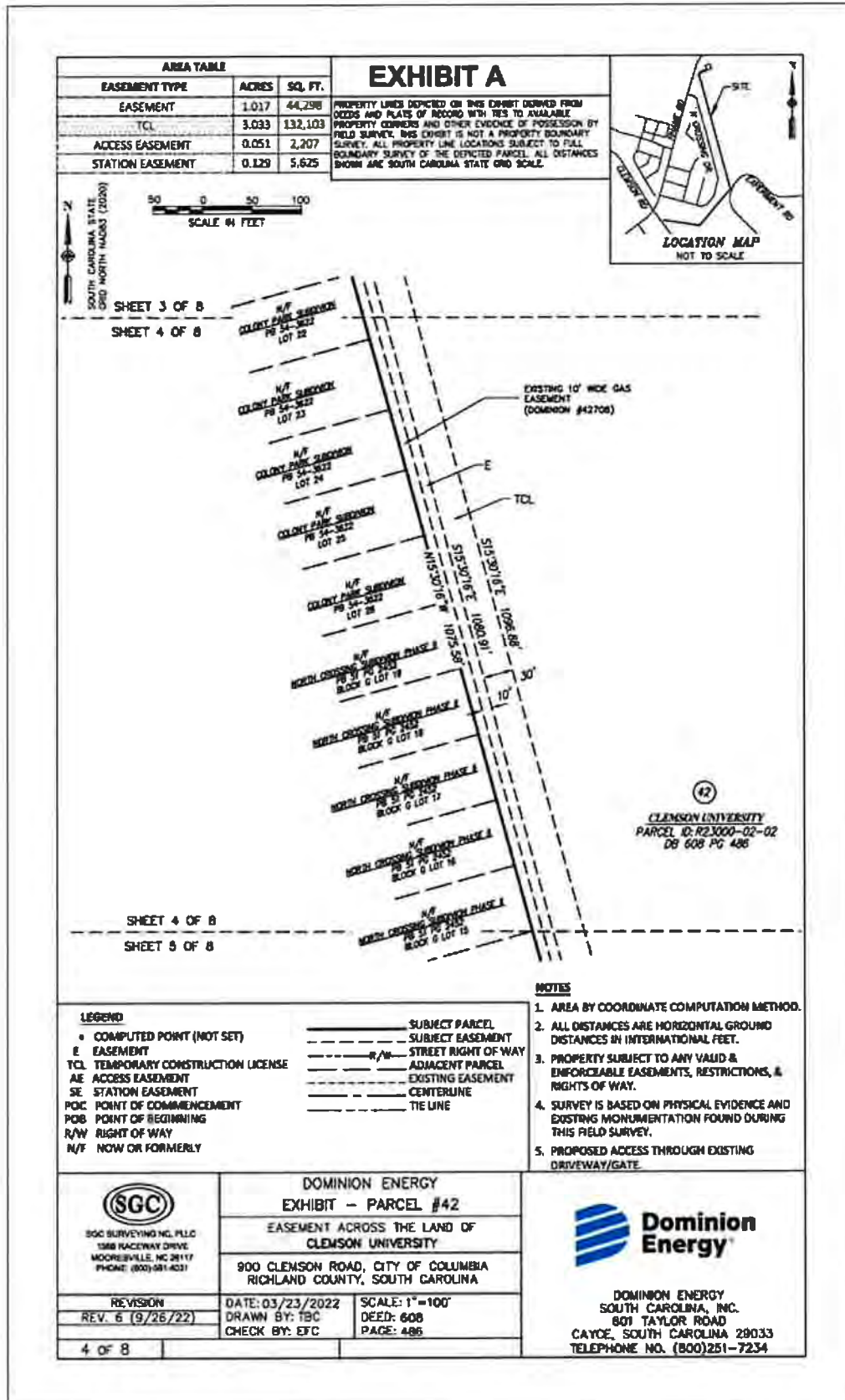


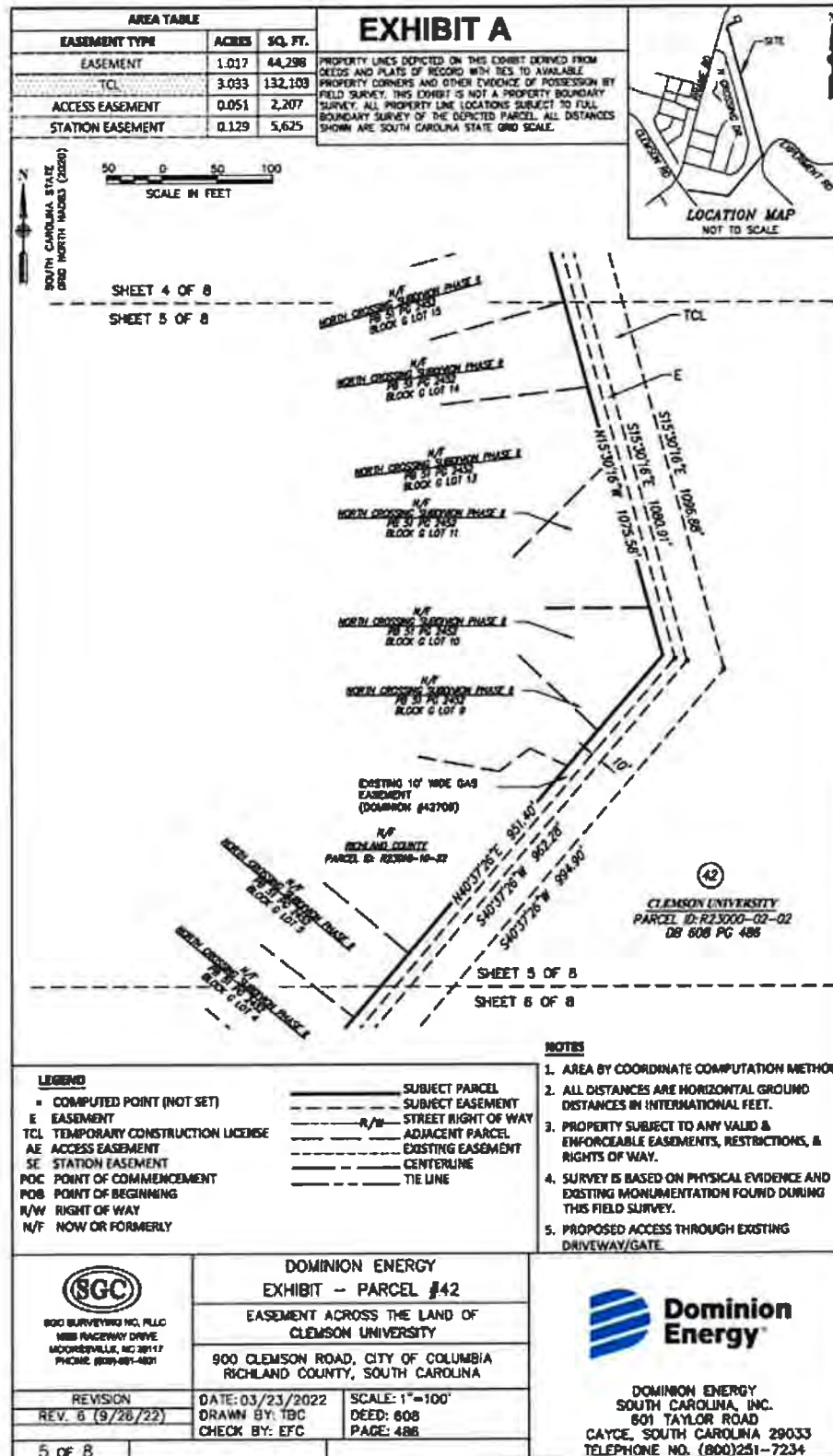
EXHIBIT A – EASEMENT DRAWING(S)

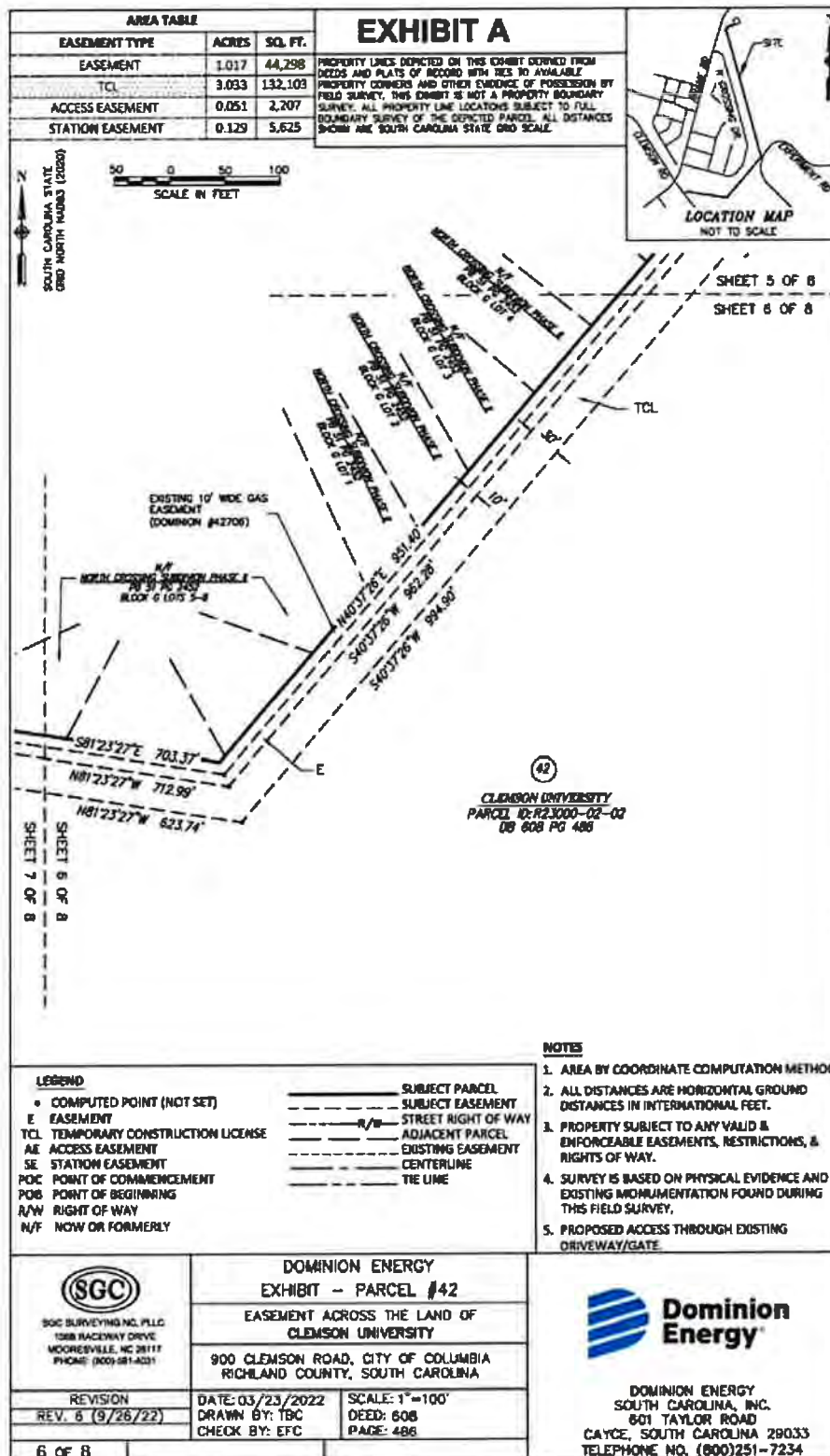


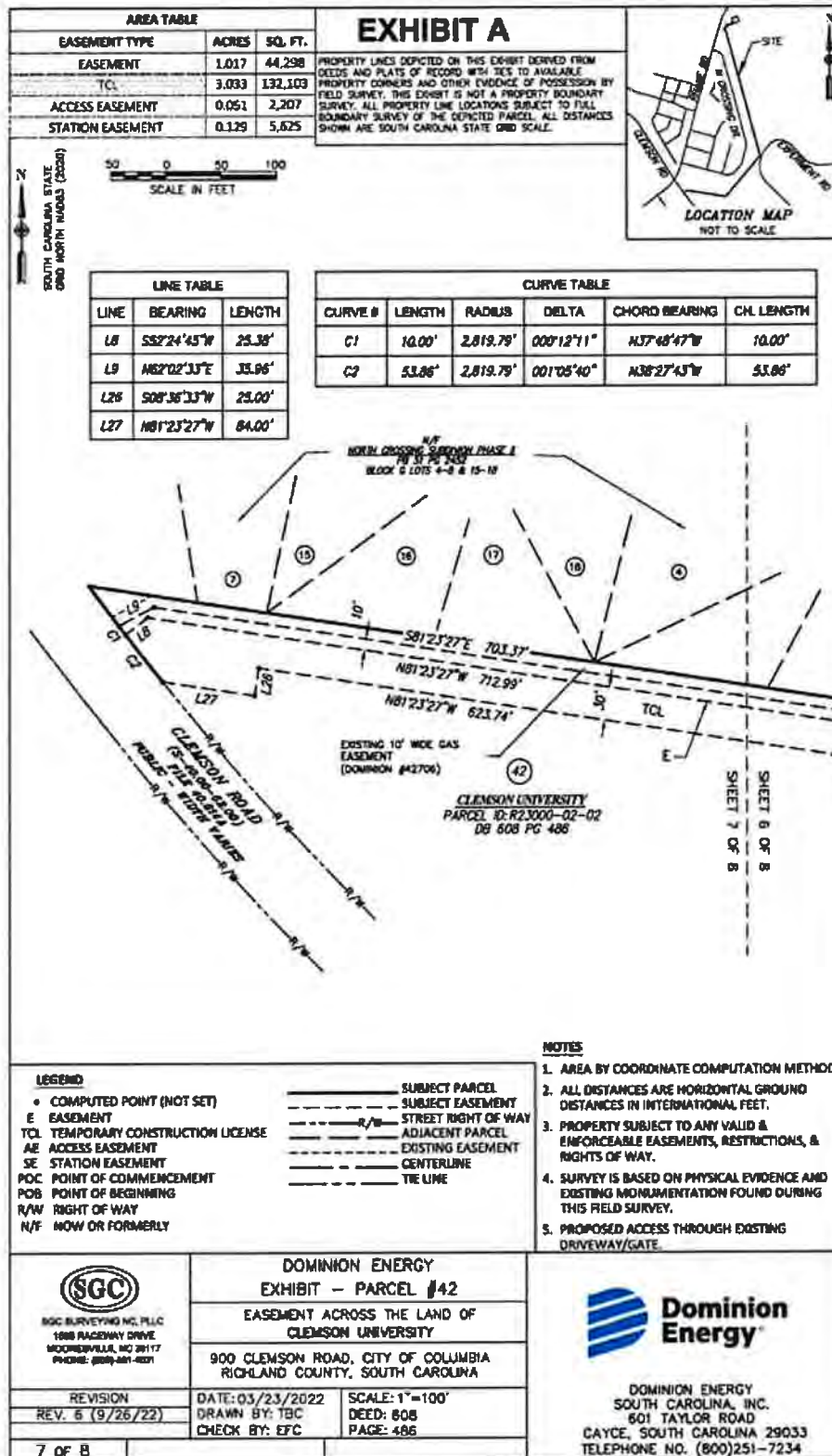


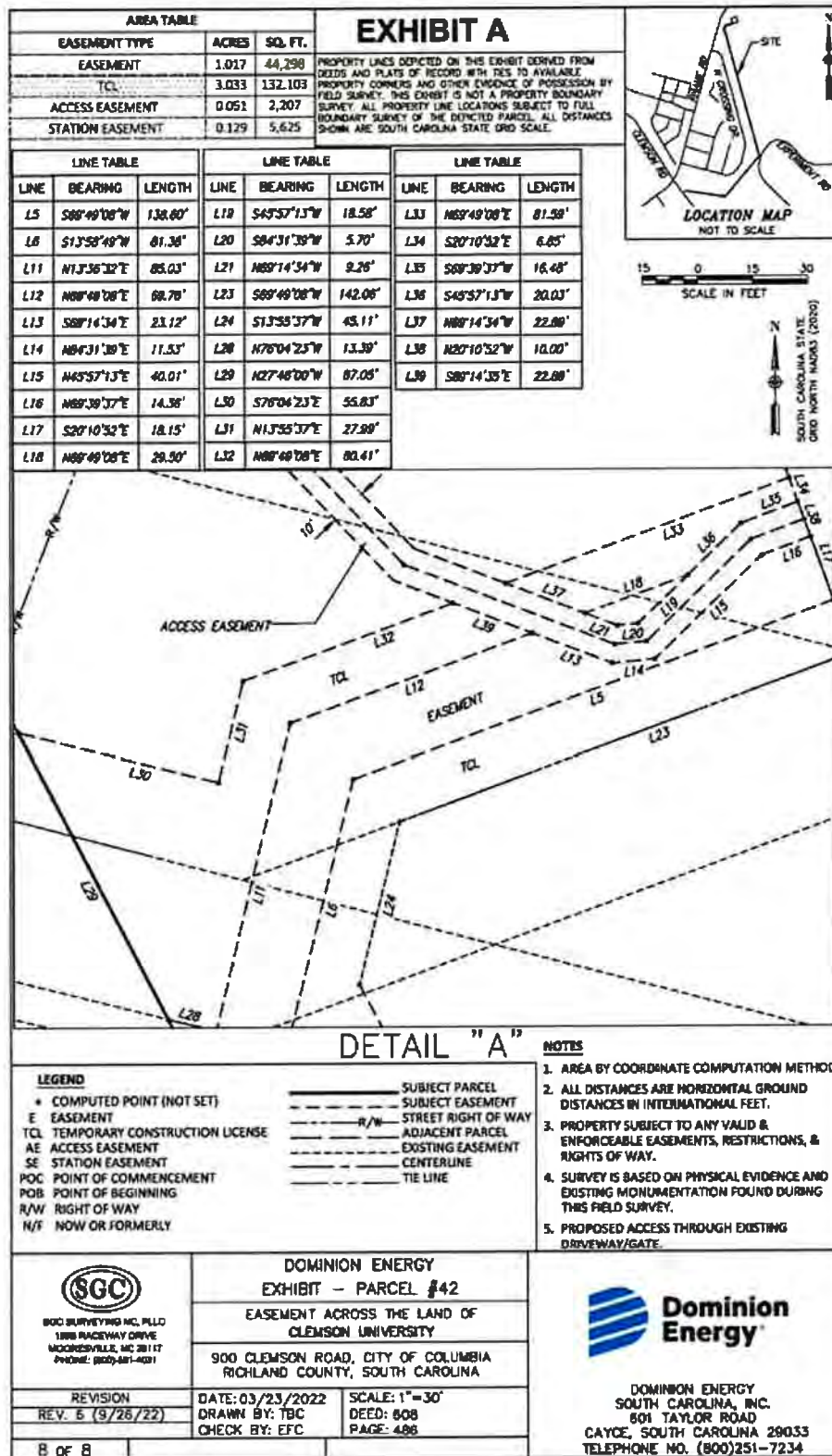












SAMPLE EASEMENT DOCUMENT

State of South Carolina)

)

County of)

KNOW ALL MEN BY THESE PRESENTS that I (WE) _____ of the County and State aforesaid, hereinafter sometimes referred to as "Grantor" (whether singular or plural), for and in consideration of the sum of One Dollar (\$1.00) to me (us) in hand paid, receipt of which is hereby acknowledged at and before signing and sealing of these presents, do hereby bargain, grant and convey to the DOMINION ENERGY SOUTH CAROLINA, INC., a South Carolina corporation having its principal office in Cayce, South Carolina, hereinafter sometimes referred to as "Grantee", a right of way, over such route as Grantee has selected, having a width of «Obtained Width_Verbose» (0) feet, upon, over, under and across lands of Grantor situated in the County of Aiken, State of South Carolina, described as follows: Being a tract or lot of land containing _____ acres, more or less, and being the same lands conveyed to Grantor by deed of _____, dated _____, and recorded in the Register of Deeds Office for _____ County in Deed Book _____ at Page _____ (the "Property").

Together with the right to construct, maintain, operate, replace and alter thereon and thereunder one or more lines for the transmission or distribution of electric energy, consisting of supporting structures, overhead and underground conductors and lightning protective wires, municipal, public or private communication wires, guys, push braces and other accessory apparatus and equipment deemed by Grantee to be necessary or desirable thereof, as well as the right to install, maintain and use anchors and guy wires on land adjacent to the right of way herein granted.

Together also with the right from time to time to redesign, rebuild or alter said lines and to install such additional lines, apparatus and equipment as Grantee may at any time deem necessary or desirable, and the right to remove any line or any part thereof.

Together also with the right of ingress, egress, and access to and from the right of way across and upon the Property as may be necessary or convenient for purposes connected with said right of way.

Grantee shall have the right from time to time to remove or clear and keep clear such trees, underbrush, structures and other obstructions upon said right of way and such trees ("danger trees") beyond the same as in the judgment of Grantee may interfere with or endanger said lines or appurtenances when erected; provided that Grantee will pay to Grantor the fair market value of such danger trees at the time of cutting as determined by a registered professional forester, and the right of entry upon said Property of Grantor for all of the purposes aforesaid.

PROVIDED, however, any damage to the property of Grantor (other than to property cleared or removed as hereinbefore provided) caused by Grantee in the course of constructing, rebuilding or repairing said lines shall be borne by Grantee.

Reserving, however, to Grantor the right to cultivate and use the ground within the limits of said right of way, provided that such use shall not interfere with or obstruct the rights herein granted, and provided further that no building or other structure shall be erected by Grantor within the width of said right of way.

And it is a condition of this grant that Grantee shall tender, and Grantor shall accept, Grantee's check in the sum of _____ and No/100 Dollars (\$_____) Should any liens and encumbrances exist, Grantee reserves the right at its discretion to pay all or any portion of the consideration for this agreement to the holders of any liens on the Property. Such payments to lien holders shall be part of the consideration for this agreement to the same effect as if made directly to the Grantor.

TO HAVE AND TO HOLD the aforesaid rights by Grantee, its successors and assigns, as aforesaid.

And Grantor agrees to warrant and forever defend the above granted rights against themselves or their heirs and against any other person lawfully claiming or to claim the same or any part thereof.

The word "Grantor" shall include Grantor's heirs, executors, administrators, successors, and assigns, as the case may be. The word "Grantee" shall include Grantee's successors and assigns and its wholly or partially owned subsidiaries.

IN WITNESS WHEREOF, Grantor has duly executed this indenture the _____ day of _____, 2020.

WITNESS:

1st Witness

By: _____ (SEAL)

2nd Witness

RW-2-E-SC (Rev. 4-2019)

ACKNOWLEDGMENT

STATE OF SOUTH CAROLINA)

)

COUNTY OF _____)

)

The foregoing instrument was acknowledged before me, the undersigned Notary, and I do hereby certify that the within named _____, personally appeared before me this day and that the above named acknowledged the due execution of the foregoing instrument.

Sworn to before me this _____ day of _____, 2020

Signature of Notary Public State of SC

My commission expires: _____

Print Name of Notary Public

**RIGHT OF WAY GRANT TO
DOMINION ENERGY SOUTH CAROLINA, INC.**

Line

County:

R/W File Number:

Grantor(s):

Return to: DESC

RW-2-E-SC (Rev. 4-2019)

Highest and Best Use

Introduction

The highest and best use is defined in The Dictionary of Real Estate Appraisal, sixth edition, published by the Appraisal Institute as “the reasonably probable use property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

As outlined, the subject property is improved with various farm and equipment buildings. It is our opinion that the acquisition will not have an impact on the improvements located on the property. Therefore, a detailed analysis of these improvements has not been prepared.

Legal Permissibility

The subject property is zoned OI, Office and Institutional District, by the County of Richland. This district is intended “to accommodate office, institutional, and certain types of residential uses in an area whose characteristics are neither general commercial nor exclusively residential in nature. Certain related structures and uses required to serve the needs of the area are permitted outright or are permitted as special exceptions subject to restrictions and requirements intended to best fulfill the intent of this chapter. There are no other legal restrictions that should limit the use of the property.

It should be noted that at any time this property is developed with a more intense use a zoning change is highly probable and should be reasonable expected. Market information indicates the most probable zoning change would be some type planned development after County approval of a development plan.

Physical Possibility

The subject site contains 569.800 acres of land and is located along the northeast side Clemson Road. The property has access and road frontage along Clemson Road, Rhame Road and Westridge Road. The topography of the land is gently rolling and at grade with Clemson Road. Soil and site conditions appear suitable for development as evidenced by the improvements that have been built on property adjacent to the subject property. Existing overhead and underground utility easements, cross the subject site. The size of the existing easements has not been provided and are not allocated in this report. These easements affect the highest and best use within the easement areas only. The site is physically suited to some type of mixed-use development.

Financial Feasibility

The legally allowable uses and the physical characteristics are important determinants of the most financially feasible use of vacant land. The most important determinant, if the property can be developed, is market demand for vacant, usable land. The majority of the tracts in the area are used for some type of residential development. Based upon the legal and physically possible uses and the current uses in the neighborhood, it is apparent that the financially feasible use of the site is for some type of mixed-use development. Market information indicates the site would most likely be used for mixed-use development taking place in multiple phases. Due to COVID-19 is not yet clear to what extent, if any, market conditions are affected.

Maximum Profitability

The subject property is located within the Columbia market area. Based upon the legally permissible uses allowed, the physical characteristics of the site, and the most financially feasible use of

the site, it is my opinion that the maximum profitability of the subject site as vacant and available for development is for mixed-use development. The most probable purchaser of the property as vacant is an owner/user for mixed-use development taking place in multiple phases.

Exposure Time/Marketing Period

The estimated exposure time and marketing period for the subject property, at the estimated market value shown in this report, is 12 to 18 months. Should economic conditions change, these times could be extended or shortened.

Land Value Estimate – Before Acquisition

The market value of the vacant land will be determined using the sales comparison approach to value. This is an appraisal procedure in which the market value estimate for the subject property is predicated upon prices in actual real estate transactions and considering current offerings, if any, with the former fixing the lower limit of value in a static or advancing market (pricewise) and fixing the higher limit of value in a declining market; and the latter fixing the higher limit of value in any market. It is a process of analyzing the sales of similar properties recently sold in order to derive an indication of the most probable sales price of the property being appraised. The reliability of this technique is dependent upon the availability of comparable sales data, the verification of the sales data, the degree of comparability or extent of adjustment necessary for factors such as time of sale, size, physical characteristics and motivation of the purchaser, and the presence or absence of any non-typical conditions affecting the sales price.

This approach is based upon the principles of supply and demand, substitution, balance and external conditions. The application of these principles in this approach to value will lead to a reasonable and supported conclusion for the value of the property being appraised.

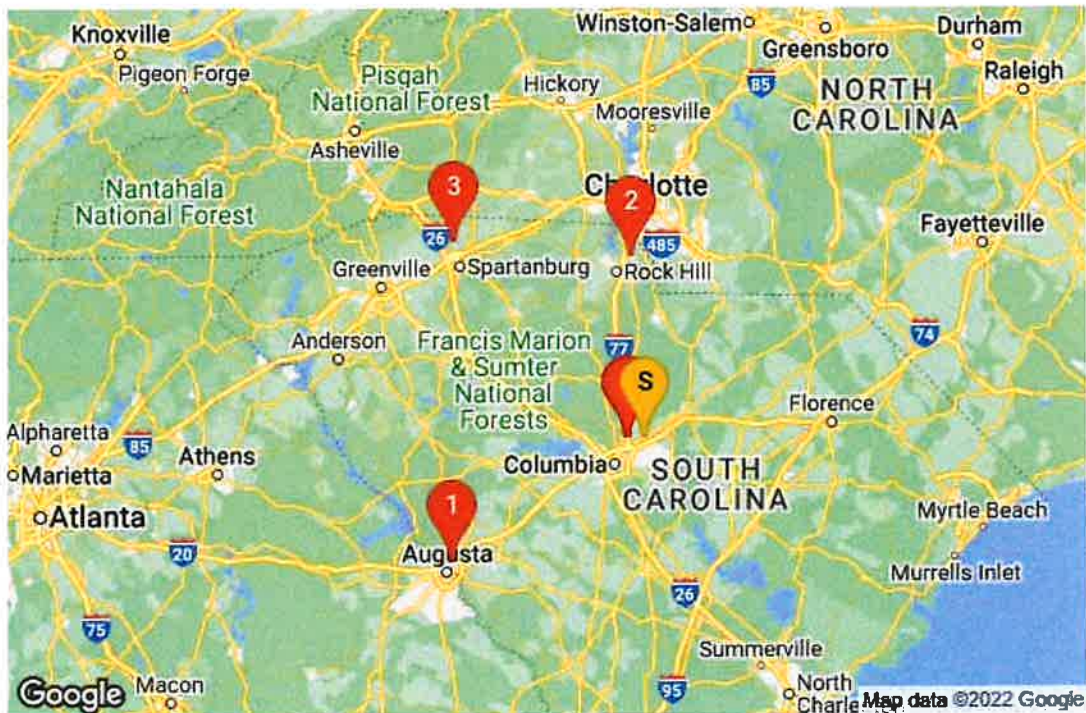
A search of the neighborhood was made in order to determine what sales of similar sites had occurred in the recent past to compare to the subject property. After a search of the market, the three (3) most comparable land sales and one (1) pending sale have been included in the report.

The unit of comparison used in this approach is the price per acre. This is the accepted unit of comparison/measure in the market for properties similar to the subject.

COMPARABLE LAND SALES SUMMARY TABLE

Comp	Address City	Date Price	County Price Per Acre	Tax ID Acres
Subject	900 Clemson Road Columbia	11/15/2001 --	Richland --	R23000-02-02 569.800
1	1128 W. Martintown Road North Augusta	12/1/2021 \$5,500,000	Aiken \$31,541	001-20-01-004, 005-14-04-010 174.375
2	1287 Brickyard Road Fort Mill	4/22/2019 \$42,000,000	York \$66,178	020-20-01-047; 048; 049; 050; and 020-01-22-012 634.648
3	Bible Church Road Boiling Springs	12/7/2017 \$2,750,000	Spartanburg \$37,558	2-36-00-119.00; 120.00; 121.00; and 2-37-00-001.00 73.220
4	310 Killian Road Columbia	1/31/2022 \$7,847,300	Richland \$48,497	R14600-03-16 161.810

SUBJECT AND COMPARABLE LAND SALES LOCATION MAP



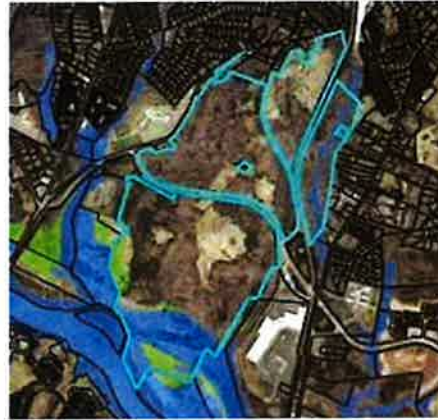
Please note that Comparable 4 and the Subject are in close proximity.

Land Comparable 1



		Transaction	
ID	2504	Date	12/1/2021
Address	1128 W. Martintown Road	Price	\$5,500,000
City	North Augusta	Price Per Acre	\$31,541
State	South Carolina	Financing	Cash to Seller
Tax ID	001-20-01-004, 005-14-04-010	Property Rights	Fee Simple
Grantor	Hamrick Associates, LLC	Days on Market	Unknown
Grantee	Stanley Martin Homes, LLC	Verification Source	Public Records, Alt. RE Data Sources: CoStar, Knowledgeable 3rd Party
Legal Description	DB 4981 @ 2190; PB 55 @ 592	County	Aiken
		Site	
Acres	174.375	Topography	Rolling
Land SF	7,595,775	Zoning	PD
Road Frontage	W. Martintown Road	Flood Zone	X
Shape	Irregular	Encumbrance or Easement	Overhead Electrical
Utilities	All Available	Environmental Issues	Unknown
Comments			
This sale was for two combined parcels located along the east side of W. Martintown Road in the City of North Augusta. The site has exposure to I-20. This property is bisected by an overhead electrical easement. This property was purchased for a single family housing development.			

Land Comparable 2



Transaction			
ID	2503	Date	4/22/2019
Address	1287 Brickyard Road	Price	\$42,000,000
City	Fort Mill	Price Per Acre	\$66,178
State	South Carolina	Financing	Cash to Seller
Tax ID	020-20-01-047; 048; 049; 050; and 020-01-22-012	Property Rights	Fee Simple
Grantor	Kanawha Farms, LLC	Days on Market	Unknown
Grantee	Lennar Carolinas, LLC	Verification Source	Public Records, Alt. RE Data Sources: CoStar, Grantee Representative
Legal Description	DB 17506 @ 343; PB 161 @ 1-3	County	York
Site			
Acres	634.648	Topography	Rolling
Land SF	27,645,267	Zoning	MXU
Road Frontage	Brickyard Road, Fort Mill Parkway,	Flood Zone	X and AE
Shape	Irregular	Encumbrance or Easement	Overhead Electrical, Underground Gas
Utilities	All Available	Environmental Issues	Unknown
Comments			
This sale was for five combined parcels located along both sides of Brickyard Road and both sides of Fort Mill Parkway and the east side of Spratt Street. It is also bounded on the southwestern most boundary by the Catawba River, with the river frontage being located within a flood hazard area however. The property is encumbered with multiple easements for underground gas lines and overhead electrical lines. Confirmation indicated this property was purchased for the development of a mixed use project made up of approximately 1,200 to 1,300 homes of multiple types and in multiple phases. This development will also include 40 to 50 acres of commercial development including, but not limited to, a grocery store, daycare facility and medical facility.			

Land Comparable 3



Transaction			
ID	2502	Date	12/7/2017
Address	Bible Church Road	Price	\$2,750,000
City	Boiling Springs	Price Per Acre	\$37,558
State	South Carolina	Financing	Cash to Seller
Tax ID	2-36-00-119.00; 120.00; 121.00; and 2-37-00-001.00	Property Rights	Fee Simple
Grantor	Gary Thomas Cantrell and Norma Cantrell England, as Trustees of the Family Trust A under Will of Calvin Coolidge Cantrell and Eleanor M. Cantrell	Days on Market	Unknown
Grantee	East Coast Holdings, LLC	Verification Source	Public Records, Alt. RE Data Sources: Appraiser Files
Legal Description	DB 117-Y @ 153; PB 41 @ 229	County	Spartanburg
Site			
Acres	73.220	Topography	Mostly Level
Land SF	3,189,463	Zoning	None
Road Frontage	Bible Church Road and Highway 9	Flood Zone	X
Shape	Irregular	Encumbrance or Easement	No Adverse
Utilities	All Available	Environmental Issues	Unknown

Comments

This sale was for three combined parcels at the southeast corner of Bible Church Road and Highway 9 and one along the north side of Bible Church Road. Spartanburg County does not use a traditional zoning system however the properties located at the southeast corner of Bible Church and Highway 9 were designated as Non Qualified Commercial use and Regular Vacant Farm Land use, and the parcel on the north side of Bible Church Road was designated as Regular Improved Farm use. This property was purchased for a mixed use residential and commercial development.

Land Comparable 4



Transaction	
ID	2505
Address	310 Killian Road
City	Columbia
State	South Carolina
Tax ID	R14600-03-16
Grantor	Phoenix Partners
Grantee	TBD - Listing
Legal Description	N/A Listing
Date	1/31/2022
Price	\$7,847,300
Price Per Acre	\$48,497
Financing	Cash to Seller
Property Rights	Fee Simple
Days on Market	Unknown
Verification Source	Public Records, Alt. RE Data Sources: CoStar, Broker
County	Richland

Site	
Acres	161.810
Land SF	7,048,444
Road Frontage	None
Shape	Irregular
Utilities	All Available
Topography	Mostly Level
Zoning	M-1
Flood Zone	X and AE
Encumbrance or Easement	Perpetual Access Easement
Environmental Issues	Unknown

Comments

The site is located off the south side of Killian Road. It has no frontage or exposure but has access to Killian Road from a perpetual easement on Hallie Bug Road, a privately maintained road. The lowest elevation of this site is at its southern most property boundary is in a flood hazard area. This property is currently under contract of sale and the broker was unable to disclose the plans for this site outside of it not having a residential component.

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
Address	900 Clemson Road	1128 W. Martintown Road	1287 Brickyard Road	Bible Church Road	310 Killian Road
City	Columbia	North Augusta	Fort Mill	Boiling Springs	Columbia
State	South Carolina	South Carolina	South Carolina	South Carolina	South Carolina
Date	8/5/2022	12/1/2021	4/22/2019	12/7/2017	1/31/2022
Price	—	\$5,500,000	\$42,000,000	\$2,750,000	\$7,847,300
Acres	569.800	174.375	634.648	73.220	161.810
Acre Unit Price	\$0	\$31,541	\$66,178	\$37,558	\$48,497
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Cash to Seller	Cash to Seller	0.0%	Cash to Seller	0.0%
Conditions of Sale	Arms Length	Arms Length	0.0%	Arms Length	0.0%
				Listing	+10.0%
Adjusted Acre Unit Price		\$31,541	\$66,178	\$37,558	\$43,647
Market Trends Through	8/5/2022	0.0%	0.0%	0.0%	0.0%
Adjusted Acre Unit Price		\$31,541	\$66,178	\$37,558	\$43,647
Location	Good	Average	Very Good	Average	Good
Adjustment		10%	-25%	10%	0%
\$ Adjustment		\$3,154	-\$16,545	\$3,756	\$0
Acres	569.800	174.375	634.648	73.220	161.810
Adjustment		0%	0%	-5%	0%
\$ Adjustment		\$0	\$0	-\$1,878	\$0
Topography	Gently Rolling	Rolling	Rolling	Mostly Level	Mostly Level
Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Shape	Irregular	Irregular	Irregular	Irregular	Irregular
Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Utilities	All Available	All Available	All Available	All Available	All Available
Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Zoning	OL	PD	MXU	None	M-1
Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Encumbrance or Easement	Overhead and Underground	Overhead Electrical	Overhead Electrical, Underground Gas	No Adverse	Perpetual Access Easement
Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
River Frontage	None	None	Catawba River	None	None
% Adjustment		0%	-15%	0%	0%
\$ Adjustment		\$0	-\$9,927	\$0	\$0
Adjusted Acre Unit Price		\$34,695	\$39,707	\$39,436	\$43,647
Net Adjustments		10.0%	-40.0%	5.0%	+10.0%
Gross Adjustments		10.0%	-40.0%	15.0%	10.0%

Explanation of Adjustments

The first comparison made between the Subject and Sales in any appraisal is for:

- 1) Property rights appraised
- 2) Financing concessions
- 3) Condition of sale
- 4) Expenditures immediately after sale
- 5) Market conditions (time)

All of the sales were of the full fee interest and no unusual or atypical financing arrangements were noted. The conditions of the sales were typical for the market. There were no expenditures immediately after sale that had an impact on the price paid. No market conditions adjustment is indicated for the sales. A negative 10% conditions of sale adjustment is made to Comparable 4 for the list to sale price adjustment during sale negotiations. Due to COVID-19 we are still monitoring market conditions although development sales have shown a steady trend over the past three years.

Differences in physical characteristics include location, size (acres), topography, shape, utilities, zoning, encumbrance/easements and river frontage. The sales analyzed for this report are considered very similar to the subject with differences in the indicated price per acre being attributed to the individual selling or purchasing criteria of seller and purchaser. No adjustments are indicated to these sales.

The value of any pre-merchantable or merchantable timber located on the property is considered in the overall unit value (price per acre).

Final Market Value Estimate – Land Value

The comparables range in adjusted price per acre from \$34,695 to \$43,647 with an average price per acre of \$39,371 and a median price per acre of \$39,571. With consideration given to all sales, it is my opinion that the market value of the subject property, as if vacant and available for use at its highest and best use, is \$40,000 per net acre. The temporary construction license (3.033) is valued before the acquisition based on a one (1) year rental rate. The rental rate is 10% of the fee simple value or \$4,000 per acre. This is added to the before value to account for the rental. The following calculation shows the estimated value of the subject site:

Size - Acres		Value Per Acre	Value:
569.800	(Unencumbered)	\$40,000	\$22,792,000
0.000	(Existing Easements not calculated)	\$0	\$0
0.000	Temporary Const. License 3.033 acres	\$4,000	<u>\$12,132</u>
	Unencumbered - 1 yr annual rent		
569.800			\$22,804,132
		Rounded	\$22,804,100

Land Value Estimate – After Acquisition

Description of the Acquisition

The acquisition is an easement varying in width, but predominantly ten (10) feet wide, for the construction and maintenance of a Clemson Road HP Growth Feeder underground gas line as shown on Exhibit A, prepared by SGC Surveying NC, PLLC for Dominion Energy, dated March 23, 2022, revised September 26, 2022. The acquisition is for an easement containing a total of 1.197 acres and are allocated as 1.017 acres (easement); 0.051 acres (access easement); and 0.129 acres (station easement). In addition, there will be a temporary construction license containing 3.033 acres of land adjoining the easement area. Sample easement document and a copy of the easement drawings (Exhibit A) are contained in the Subject Photographs and Exhibits section of this report and should be consulted for a complete understanding of the property rights to be acquired and the location of the easements.

Description of the Remainder

After the acquisition, the subject property will contain 568.603 acres of unencumbered land and 1.197 acres within the Dominion Energy easement, as shown on Exhibit A.. The zoning of the property will be the same as before the acquisition. The overall shape of the property will be unchanged. Based upon the easement document contained in the **Subject Photographs and Exhibits** section the owner of the subject site has “the right to cultivate and use the ground within the limits of said right of way, provided that such use shall not interfere with or obstruct the rights herein granted, and provided further that no building or other structure shall be erected by Grantor within the width of said right of way.” Use of the property for mixed-use development purposes will not be impacted by the easement in the areas that are unencumbered. Overall, the utility of the subject property will not be changed by the location of the easement.

Highest and Best Use - After Acquisition

The acquisition of the easement affects the highest and best use of the area within the new easement (1.197 acres). The 568.603 acres of unencumbered land will not be affected by the easement and the highest and best use of the overall property will remain for mixed-use development use. The existing easement areas were was damaged prior to the acquisition that is described herein.

Land Value Estimate - After Acquisition

The highest and best use of the unencumbered area, containing 568.603 acres, will not change. The indicated value of the unencumbered area remains \$40,000 per acre. No damages outside of the encumbered areas are noted. Damages caused by the acquisition of the easement results in the highest and best use change within the easement area. This area has been damaged by 90% due to the loss in fee simple value in the areas within the new easement, as utility within the easement area is diminished with no vertical improvements or uses that would obstruct the use of the easement by the utility company area permitted.

The following calculation shows the estimated market value of the subject property after the acquisition:

Size - Acres		Value Per Acre	Value:
568.502	(Unencumbered)	\$40,000	\$22,740,080
	(Existing Easements not		
0.000	calculated)	\$0	\$0
0.230	(Station Easement)	\$4,000	\$920
0.051	(Access Easement)	\$4,000	\$204
<u>1.017</u>	(Easement)	\$4,000	<u>\$4,068</u>
569.800			\$22,745,272
		Rounded	\$22,745,300

Reconciliation and Final Value Estimate

After applying the methods and techniques recommended by the Appraisal Institute, and after analyzing the data presented, it is my opinion that the market value of the fee simple interest of the property before the acquisition, the market value of the fee simple interest of the subject property after the acquisition, and the rights to be acquired by Dominion Energy and damages, if any, to the remainder as of August 5, 2022, is:

Market Value Before:	\$22,804,100
Market Value After:	<u>\$22,745,300</u>
Value of Acquisition:	\$58,800

My valuation of the subject property considered the best information that was available at the time of my analysis and users of this appraisal should consider the appraisal may be affected by the scope of work. Users are reminded that the appraisal conclusions in this report are effective as of the stated date(s) of valuation.

The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

Respectfully submitted,



George E. Knight, Jr., MAI
SC State Certified General
Real Estate Appraiser No. CG 1531

GEKjr/kdw

Addenda

Subject Deed

Instrument Number: 2001102155 Book/Page: R 608/486 Date Time: 12/28/2001 14:12:25:663

TMS#: portion of 23000-02-02

Grantee's Address:

Land Management - Clemson University
212 Barre Hall
Clemson, South Carolina 29634

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

QUIT-CLAIM DEED

KNOW ALL MEN BY THESE PRESENTS, that Joseph R. Clark, III, Serena R. Clark, and Nancy N. Clark (herein collectively "Grantors"), for and in consideration of Five and 00/100 (\$5.00) Dollars, to Grantors in hand paid by **Clemson University** (herein "Grantee"), the receipt of which is hereby acknowledged, have remised, released, and forever quit-claimed, and by these presents do remise, release and forever quit-claim unto the said:

CLEMSON UNIVERSITY

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying, and being near the City of Columbia, in Richland County, South Carolina containing 298.086 more or less, and being more fully shown and delineated on a plat prepared for Clemson University Land Management by B.P. Barber & Associates, Inc. dated August 13, 1999, and recorded in the Richland County ROD Office in Record Book 607, at Page 1978.

TOGETHER with all and singular, the rights, members, hereditaments and appurtenances to the said premises belonging or in anywise incident or appertaining.

TO HAVE AND TO HOLD all and singular the premises before mentioned unto the said Grantee forever - so that neither the said Grantors, nor their heirs, nor any other person, or persons, claiming under Grantors or them, shall at any time hereafter, by any way or means, have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part or parcel thereof, forever.

Book 00608-0486
2001102155 12/28/2001 14:12:25:663
Fee: \$10.00 County Tax: \$0.00 State Tax: \$0.00

Quitclaim Deed



2001102155 John G. Norris

Richland County ROD

Instrument Number: 2001102155 Book/Page: R 608/487 Date Time: 12/28/2001 14 12:25:663

WITNESS the hand and seal of the undersigned this 15th of November, 2001.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Johnny D. Moyine
John R. Clark
John D. Marshall
Shirley L. Lutter

Joseph R. Clark, III (SEAL)
Joseph R. Clark, III

Serena R. Clark (SEAL)
Serena R. Clark

Nancy R. Clark Nancy C. Townsend (SEAL)
Nancy R. Clark
NCS

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

PROBATE

PERSONALLY APPEARED before me the undersigned witness and made oath that s/he saw the within named **Grantor** Joseph R. Clark, III, sign, seal and as such Grantor's act and deed, deliver the within written Quit-Claim Deed for the uses and purposes therein described, and that s/he with the other witness whose name appears above witnessed the execution thereof.

SWORN to before me this 15th day of November, 2001.

Angela L. Dharpe
Notary Public for S.C.
My Commission Expires: 2-21-11

[Signature]

Instrument Number: 2001102155 Book/Page: R 608/488 Date Time: 12/28/2001 14:12:25.663

STATE OF SOUTH CAROLINA)
)
 COUNTY OF RICHLAND)

PROBATE

PERSONALLY APPEARED before me the undersigned witness and made oath that s/he saw the within named **Grantor** Serena R. Clark, sign, seal and as such Grantor's act and deed, deliver the within written Quit-Claim Deed for the uses and purposes therein described, and that s/he with the other witness whose name appears above witnessed the execution thereof.

SWORN to before me this 15th
 day of November, 2001.

Angela L. Sharpe
 Notary Public for S.C.
 My Commission Expires: 2-21-11

STATE OF SOUTH CAROLINA)
)
 COUNTY OF RICHLAND)

PROBATE

PERSONALLY APPEARED before me the undersigned witness and made oath that s/he saw the within named **Grantor** Nancy W. Clark, sign, seal and as such Grantor's act and deed, deliver the within written Quit-Claim Deed for the uses and purposes therein described, and that s/he with the other witness whose name appears above witnessed the execution thereof.

SWORN to before me this 15th
 day of November, 2001.

Angela L. Sharpe
 Notary Public for S.C.
 My Commission Expires: 2-21-11

alsD63A:\8012\qcd.upd1.11501

State Certification(s)/License(s)

BCD 1429617

State of South Carolina
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board
GEORGE E KNIGHT JR
Is hereby entitled in practice as a:
Certified General Appraiser
License Number: 1531

Expiration Date: 06/30/2024
OFFICE COPY


Administrator

Qualifications of George E. Knight, Jr., MAI

Professional Designation

Member, Appraisal Institute, (MAI) Certificate No. 12092

Education

Bachelor of Science Degree Business Administration, Real Estate and Finance,
University of South Carolina, May 1987

Appraisal EducationCore CoursesAppraisal Institute

Course 1A1, Real Estate Appraisal Principles, February 1991
Course SPP, Standards of Professional Practice, Parts A & B, September 1991
Course 1A2, Basic Valuation Procedures, May 1992
Course 1BA, Capitalization Theory and Techniques, Part A, May 1992
Course 1BB, Capitalization Theory and Techniques, Part B, November 1992
Course 320, General Applications, April 1994
Course 520, Highest & Best Use and Market Analysis, October 1998
Course 550, Advanced Applications, October 2000
Course 530, Advanced Sales Comparison and Cost Approaches, January 2002
Course 540, Report Writing and Valuation Analysis, June 2002
Course 810, Computer-Enhanced Cash Flow Modeling, November 2004
Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets, March 2012
Business Practices and Ethics, December 2018
Uniform Standards for Federal Land Acquisitions: Practical Applications, November 2017
Course 400, 2022-2023, 7-Hour Update USPAP, December 2021

Current SeminarsAppraisal Institute

The Lender, Client and Appraiser – You're on the same Team!, July 2015
Technology Tips for Real Estate Appraisers, October 2015
Case Studies – Complex Valuation, January 2016
Statutory Changes to Property Tax Law and Effect on Market Value, July 2016
Hot Topics and Myths in Appraiser Liability, January 2017
Forest Valuation for Non-Foresters II, April 2017
State of South Carolina – Economic Summit, April 2018
Compliance, Completeness and Competency, July, 2018
Global Valuation – Values and Techniques, October, 2018
State of South Carolina – Economic Summit, January, 2019
Aerial Inspections for Real Estate, February, February, 2021
Six Recent Appraiser Lawsuits and the Lessons from Each, April, 2021
Valuation Resources for Solar Photovoltaic Systems, July, 2021
Nuances of Valuation; Cornerstone of Market Valuation, January 2022

Valuation Expo

The Modern Appraisal, October 2019
The Role of the Appraiser, October 2019

CLE International

Eminent Domain, The Nuts and Bolts of Public Takings, February-March, 2005

South Carolina Department of Transportation

Right of Way Symposium, December 2016

Professional AssociationsAppraisal Institute

Leadership Development Advisory Council (LDAC), March 2004, March 2005, May 2006
Leadership Development Advisory Council (LDAC), May 2007 Discussion Leader, April 2008 Vice Chair; April 2009 Chair
Appraisal Institute Education Trust, Committee Member, 2009, 2010, 2011
Appraisal Institute Government Relations, Committee Member, 2010, 2011
Appraisal Institute Region IX Chapter Services Representative, 2011-2012

Appraisal Institute - SC Chapter

Chairman, Associates Guidance Committee (2004-2005)
Co-Chairman, Government Relations Committee (2005-2006)
Chairman, Government Relations Committee (2007, 2008, 2009, 2010)
Chapter Secretary (2007), Chapter Treasurer (2008), 2nd Vice President (2009), Vice President (2010), President (2011), Immediate Past President (2012)

International Right of Way Association – North and South Carolina Chapter 31

Valuation Committee Chairman (2006 to 2017)

Greater Columbia Association of RealtorsOther Associations

Leadership Columbia, Class of 2005
Leadership Columbia Committee (2006, 2007, 2008)
Leadership Columbia Alumni Association Board (2006, 2007, 2008, President – 2009)
Columbia Rotary Club, (2002 to 2010)
Share Our Suzy (SOS), Board of Directors (2006 to present)

S. C. Real Estate Appraisers Board

Internal Review Committee, 2006- 2011
Board Member, 2012-2013
Board Chair, 2014 - Present

Professional Experience

Real Estate Broker for Bob Capes Realtors, June 1987 - June 1988
Research Assistant & Associate Appraiser for Jeffery Wyman & Associates, Inc., February 1991 - June 1995
Appraiser and Partner – Real Estate Appraisers and Consultants, LLC (REAC) Real Estate Appraisal Firm, July 1995 to Present
Broker in Charge and Owner – The Knight Company, LLC, Real Estate Brokerage Firm, 1995 to Present
Qualified as an expert witness in Circuit Court for South Carolina and North Carolina, Superior Court for Georgia

Licenses

South Carolina State Licensed Real Estate Broker
South Carolina State Certified General Real Estate Appraiser, Certificate No. CG 1531

**APPRAISAL REPORT OF
APPROXIMATELY 569.800 ACRES OF LAND
LOCATED ALONG THE NORTHEAST SIDE CLEMSON ROAD,
COLUMBIA, RICHLAND COUNTY, SOUTH CAROLINA
FOR A 1.197 ACRE UNDERGROUND GAS LINE EASEMENT ACQUISITION
AND A 3.033 ACRE TEMPORARY CONSTRUCTION LICENSE ACQUISITION**



**AS OF
AUGUST 5, 2022**

FOR

**MR. PAUL E. THOMPSON, RIGHT OF WAY AGENT
DOMINION ENERGY
256 COLUMBIA AVENUE
CHAPIN, SOUTH CAROLINA 29036**

BY

**GEORGE E. KNIGHT, JR., MAI
SOUTH CAROLINA STATE CERTIFIED GENERAL
REAL ESTATE APPRAISER NO. CG 1531**



Real Estate Appraisers and Consultants, LLC

R·E·A·C

"We're on point with value"

September 27, 2022

Mr. Paul E. Thompson, Right of Way Agent
Dominion Energy
256 Columbia Avenue
Chapin, South Carolina 29036

RE: The appraisal of 569.800 acres of land located along the northeast side Clemson Road, Richland County, South Carolina. Property now or formerly of Clemson University, identified as Richland County TMS# R23000-02-02.
Our File No. 21-085

Dear Mr. Thompson:

At your request, I have inspected and appraised the property located along the northeast side Clemson Road, Columbia, Richland County, South Carolina. The property is further identified in the Richland County Tax Map System as TMS# R23000-02-02. The property contains approximately 569.800 acres of land and the acquisition contains a 1.197 acre easement allocated as 1.017 acres (easement); 0.051 acres (access easement); and 0.129 acres (station easement) for an underground gas line and 3.033 acres for a temporary construction license for the construction of the underground gas line.

The intended use of the appraisal is to aid the client in determining the market value of the acquisition, as of August 5, 2022. The client is Dominion Energy. The Department of Administration and the State of South Carolina may rely upon this appraisal for its intended use.

The results of my inspection and analyses are combined in this letter along with the attached appraisal report which are intended to comply with the minimum requirements, as set forth in Standards Rule 2-2(a) of the *Uniform Standards of Professional Practice* (USPAP), 2020-2021 Edition, published by The Appraisal Foundation.

The value estimates reported in this letter are based upon the facts and conclusions contained in the appraisal report that is attached and should be considered an integral part of this transmittal and incorporated herein by reference. Special attention is brought to the assumptions and limiting conditions contained in the report. No other special assumptions have been made in arriving at the market value estimates. This appraisal assignment was not made, nor was the appraisal rendered on the basis of requested minimum valuations or specific valuations.

The interest appraised is that of the fee simple interest. The property has been appraised as if free and clear from all liens and encroachments which may render the title to the subject property unmarketable.

This letter and the attached appraisal report have been prepared in accordance with the Code of Professional Ethics and Uniform Standards of Professional Appraisal Practice, as approved and adopted by the Appraisal Standards Board of the Appraisal Foundation and the Appraisal Institute. The use of this letter and the attached report are subject to the requirements of the Appraisal Institute relating to their review by its duly authorized representatives.

17 Calendar Court, Suite 1 • Columbia, SC 29206
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Mr. Paul E. Thompson, Right of Way Agent
Right of Way Agent
Dominion Energy
September 27, 2022
Page 2

Therefore, based upon the data outlined in the attached appraisal report, and the conclusions I have drawn from the analysis of the data, it is my opinion that the market value of the rights to be acquired by Dominion Energy, and damages, if any, to the remainder as of August 5, 2022, is:

Market Value Before:	\$22,804,100
Market Value After:	<u>\$22,745,300</u>
Value of Acquisition:	\$58,800

The final value estimates are based upon the various considerations outlined in the definition of market value shown earlier. The value estimates outlined within this report are based upon an estimated marketing time and exposure time of 12 to 18 months. It should be noted that exposure time occurs prior to the value estimate and the marketing time occurs after the value estimate.

My valuation of the subject property considered the best information that was available at the time of my analysis and users of this appraisal should consider the appraisal may be affected by the scope of work. Users are reminded that the appraisal conclusions in this report are effective as of the stated date(s) of valuation.

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

Respectfully submitted,



George E. Knight, Jr., MAI
S.C. State Certified General
Real Estate Appraiser No. CG 1531

GEKjr/kdw
Attachments:
48-Page Appraisal Report
Addenda

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Certification

I, the undersigned appraisers, do hereby certify to the best of my knowledge and belief that:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report and I have no personal interest with respect to the parties involved.

I have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined result, value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

I have made a personal inspection of the property, August 5, 2022, that is the subject of this report unless otherwise noted below.

My former business partner, Joseph B. Woods, SRA, SC State Certified General Real Estate Appraiser No. 983, provided significant real property appraisal assistance January 31, 2022 in the inspection, photographing, data collection and confirmation of the subject property and comparable sales information and assisted in the sales analysis.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, George E. Knight, Jr., MAI, has completed the continuing education program for Designated Members of the Appraisal Institute.

SIGNED:


George E. Knight, Jr. MAI
South Carolina State Certified General
Real Estate Appraiser No. CG 1531
Inspecting Appraiser

Summary of Major Conclusions

Project:	Clemson Road HP Growth Feeder	Tract ID:	900 Clemson Road	
TMS:	R23000-02-02	County, State:	Richland, South Carolina	
Property Owner:	Clemson University 900 Clemson Road Columbia, South Carolina 29229	Effective Date:	August 5, 2022	
Boundaries or Significant Landmarks:	The subject property is located along the northeast side of Clemson Road. For a more accurate description the reader is directed to the Plats, Tax Maps, GIS Maps and/or Sketches contained in the Subject Photographs and Exhibits section of the report.			
Size of Tract - SF	24,820,546	General Shape:	Irregular	
Size of Tract - Acres:	569.800			
Zoning:	OI, Office and Institutional District	Present Use:	Research and Education Center	
Tax Assessor's Market Value:		Amount	Based on Acreage	Per Acre
	Land:	\$25,354,800	563.44	\$45,000
	Improvements:	\$0		
	Miscellaneous	\$0		
	Total:	\$25,354,800		
	Agricultural:	\$0		
Highest and Best Use:	Before: Mixed-Use Development After: Mixed-Use Development			
Agreements of Sale, Options or Listings of the Subject Property:	The subject property is not currently listed for sale.			
Sales History (last 3 years):	A portion of the subject property (298.086 acres) was conveyed to Clemson University by a Quit Claim Deed from Joseph R. Clark, III, Serena R. Clark and Nancy N. Clark dated November 15, 2001 and recorded December 28, 2001, in the Office of the ROD for Richland County in Deed Book 608 at Page 486. Based on information from the client, the remaining portion was conveyed to Clemson University. We were unable to verify this with our research in the Richland County Register of Deeds Office. We recommend a full title search of the property be performed by a Title Abstractor or Real Estate Attorney.			
Description of Acquisition:	The acquisition is an easement varying in width, but predominantly ten (10) feet wide, for the construction and maintenance of a Clemson Road HP Growth Feeder underground gas line as shown on Exhibit A, prepared by SGC Surveying NC, PLLC for Dominion Energy, dated March 23, 2022, revised September 26, 2022. The acquisition is for an easement containing a total of 1.197 acres and are allocated as 1.017 acres (easement); 0.051 acres (access easement); and 0.129 acres (station easement). In addition, there will be a temporary construction license containing 3.033 acres of land adjoining the easement area. Sample easement document and a copy of the easement drawings (Exhibit A) are contained in the Subject Photographs and Exhibits section of this report and should be consulted for a complete understanding of the property rights to be acquired and the location of the easements.			
Market Value of Tract Before Acquisition:	Size - Acre		Value Per Acre	Value:
	569.800	(Unencumbered)	\$40,000	\$22,792,000
	0.000	(Existing Easements not calculated)	\$0	\$0
	0.000	Temporary Const. License 3.033 acres	\$4,000	\$12,132
		Unencumbered - 1 yr annual rent		
	569.800			\$22,804,132
			Rounded	\$22,804,100
Market Value of Tract After Acquisition:	Size - Acre		Value Per Acre	Value:
	568.502	(Unencumbered)	\$40,000	\$22,740,080
	0.000	(Existing Easements not calculated)	\$0	\$0
	0.230	(Station Easement)	\$4,000	\$920
	0.051	(Access Easement)	\$4,000	\$204
	1.017	(Easement)	\$4,000	\$4,068
	569.800			\$22,745,272
			Rounded	\$22,745,300
Market Value Before:	\$22,804,100			
Market Value After:	\$22,745,300			
Value of Acquisition:	\$58,800			
Analysis of Acquisition:	The acquisition of this easement affects the highest and best use of the area within the easement areas that total 1.197 acres and are allocated as 1.017 acres (easement); 0.051 acres (access easement); and 0.129 acres (station easement). Changes in highest and best use and severance damage caused by the existing easements located on the subject site, if any, occurred prior to the acquisition described herein. The size (acres) of the easement, temporary construction license and allocations were provided by the client. The size of the existing easements have not been provided and are not allocated. Ninety (90) percent loss in fee simple value is made to the areas within the new easement as utility within the easement areas is diminished as no vertical improvements or uses that would obstruct the use of the easement by the utility company are permitted.			
Hypothetical Condition:	The after value stated in this report is based on the hypothetical condition that the Clemson Road HP Growth Feeder is complete based on drawings prepared by SGC Surveying NC, PLLC for Dominion Energy, dated March 23, 2022, revised September 26, 2022.			
Disclaimer:	The value conclusion(s) shown herein should not be taken out of context or in any manner utilized for the valuation of the component parts of the subject property without full disclosure of the entire contents of our work files.			

Assignment Elements

Client and Intended User

The client is Dominion Energy. The intended user is Dominion Energy as well as agents identified by Dominion Energy. There are no other intended users. Possession of this report does not constitute an intended user.

Intended Use

The intended use of this appraisal is to aid the client in determining the market value of the acquisition. The Department of Administration and the State of South Carolina may rely upon this appraisal for its intended use.

Appraisal Reporting

Based upon the client's intended use of the appraisal, I have prepared an appraisal report of the property. This appraisal report is intended to comply with the minimum requirements of Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report.

Property Rights Appraised

In order to estimate the market value of the easement, I have appraised the fee simple interest of the subject property both before and after the acquisition. The property is appraised assuming it is free and clear of all liens and encumbrances that may render the title to the subject property unmarketable.

Type and Definition of Value

Market value is defined in *The Dictionary of Real Estate Appraisal*, Sixth Edition, published by the Appraisal Institute, as "The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby: 1) buyer and seller are typically motivated; 2) both parties are well informed or well advised, and each acting in what they consider their best interest; 3) a reasonable time is allowed for exposure in the open market; 4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale." (12 C.F.R. Part 34.42(f))

Effective Date

The effective date of the appraisal is August 5, 2022; the date of the report is September 27, 2022. The subject property was originally inspected January 31, 2022, by Mr. Woods. He met with Kathy Coleman, Director, Sandhill REC and her staff, at the Sandhill site, to discuss the acquisition and inspect the site at which time photographs were taken. On August 5, 2022, I met with Steven Crisp, at the Sandhill site, to discuss, inspect and photograph an additional acquisition on the property. It was at my meeting with Mr. Crisp that I also inspected the Dominion acquisition. No additional photographs of the Dominion acquisition were taken. The photographs contained in this report were of photographs taken at the inspection on January 31, 2022.

Subject of the Assignment and its Relevant Characteristics

The subject of the assignment is to provide an estimate of the market value of the rights to be acquired and damages, if any, to be paid to the property owner for the acquisition of an easement for the construction and maintenance of an underground gas line affecting a portion of the subject property and for a temporary construction license for the construction of the underground gas line. The subject site is located along the northeast side Clemson Road within Richland County, South Carolina. The property is further identified in the Richland County Tax Map System as TMS# R23000-02-02. The property is irregular in shape, contains approximately 569.800 acres. The site size reported herein was determined by a survey dated June 6, 2019 by Stewart titled "Boundary Survey Sandhill Research and Education Center" prepared for Clemson University.

Ownership History

A portion of the subject property (298.086 acres) was conveyed to Clemson University by a Quit Claim Deed from Joseph R. Clark, III, Serena R. Clark and Nancy N. Clark dated November 15, 2001 and recorded December 28, 2001, in the Office of the ROD for Richland County in Deed Book 608 at Page 486. Based on information from the client, the remaining portion was conveyed to Clemson University. We were unable to verify this with our research in the Richland County Register of Deeds Office. We recommend a full title search of the property be performed by a Title Abstractor or Real Estate Attorney.

Listing and Contracts of Sale

Research of the applicable public records, private data services and an interview of the current owner's representative, Kathy Coleman, Director, Sandhill REC, revealed that the subject property is not currently under current agreement or option and is not offered for sale on the open market.

Marketing Time / Exposure Time

The final value estimate is based upon the various considerations outlined in the definition of market value shown earlier. The value estimate outlined within this report is based upon an estimated marketing time and exposure time of 12 to 18 months. It should be noted that exposure time occurs prior to the value estimate and the marketing time occurs after the value estimate.

Scope of Work

As a part of this appraisal, I made a number of independent investigations and analyses. I relied upon data retained in my office files, which I update regularly. The investigations undertaken and the major data sources used are outlined as follows. I reviewed the local economic and demographic trends for Richland County on the *Site to Do Business* website. I studied the available market data and economic trends of the subject's market area and other similar market areas. I inspected the subject neighborhood and the subject property. I examined the records of Richland County concerning the zoning ordinance and the available public utilities in the area. I examined the records of Richland County Tax Assessor's Office and reviewed the method of taxation and the specific tax data including assessment percentages and millage rates applicable to the subject properties. I examined the public records for deeds and plats relating to the subject property.

I obtained sales information of vacant land within the subject's market area and other similar market areas. Sources utilized to verify the sales analyzed include a portion or all of the following: public records, aerial photographs, brokers, owners, third parties, real estate appraisal files and inspections. I have the competency to complete the assignment based upon my experience and training including the completion of previous assignments involving similar properties.

The intended use of this appraisal is to aid the client in determining the market value of the acquisition. Conventional appraisal theory dictates that market value may be determined by the use of one of more of the three accepted approaches to value. These approaches to value are the cost approach, the sales comparison approach and the income capitalization approach. In order to estimate the market value of the easement, I have appraised the fee simple interest of the subject property both before and after the acquisition. The property has been appraised as if it were free and clear of all liens and encumbrances which may render the title to the subject property unmarketable.

The cost approach is a set of procedures by which an indication of the value of the subject is obtained by estimating the depreciated value of the subject improvements, to which is added the value of the subject site, valued at its highest and best use.

The sales comparison approach is a set of procedures by which an indication of the value of the subject property is estimated by comparing it to similar properties which have sold recently. Appropriate units of comparison are used and adjustments, based upon various elements of comparison, are made to the sales.

The income capitalization approach is a set of procedures by which an indication of the value of the subject is estimated based upon converting anticipated income into value. The conversion of income into value is accomplished by capitalizing (discounting) a single year's income or several year's income into value.

As outlined in this report, the subject property is improved with various farm and equipment buildings. It is our opinion that the acquisition will not have an impact on the improvements located on the property. The valuation conclusion shown herein is based upon our determination of highest and best use of the subject property as vacant and available for development is for a mixed-use development taking place in multiple phases. The only valuation made herein is of the subject's 569.800 acre site. Therefore, in the valuation of the subject property as vacant, the sales comparison approach will be used. The information upon which this approach to value is based is from the market and is the best information available for the application of the approach to value and will lead to a credible value conclusion.

The acreages of the existing easements are not available in their entirety and therefore are not calculated herein. These calculations would have a nominal impact on overall value and no impact on the value indicated for the new easements. The crossing of utility easements, like those existing on the subject site, are reasonably expected by developers and dealt with in site engineering.

Assignment Conditions

Assumptions and Limiting Conditions

The legal description, or other property identification furnished by others, is assumed to be correct, and no responsibility is assumed for matters legal in nature. No opinion is rendered as to title, which is assumed to be marketable. Any existing liens or encumbrances have been disregarded, and the property is appraised as if free and clear, unless otherwise noted in the body of the report.

No current survey of the property was made, and the improvements are assumed to be within the lot lines, in accordance with local building codes. Drawings, sketches, or maps are included in this report for the sole purpose of assisting the reader in visualizing the property. Unless otherwise indicated, they are not engineering drawings.

There is a full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in this appraisal report.

All applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.

All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

In cases of proposed projects, all permits and governmental regulations are assumed to be secured and/or complied with.

All major improvements on the property being appraised appear to be structurally sound, unless otherwise noted within the body of the appraisal. However, the appraiser is not an engineer and has not been instructed to secure a qualified engineer's certification of the structural soundness of the said improvements or functional utility of major appliances or mechanical failures which would not be reasonably obvious in the scope of an appraiser's normal inspection of the specified improvements, or to a prudent purchaser.

Certain information used in this report has been furnished by others. The sources and the information are considered to be reliable, but cannot be guaranteed.

The subject property is assumed to be under responsible ownership and reasonable and competent management.

No responsibility is assumed for service or operating inspections of equipment in the buildings covered by the appraisal report.

No responsibility is assumed for an inspection of weather tightness of the exterior or interior surfaces of this building.

No tests of material or equipment were made.

Acceptance of, and/or use of, this appraisal report by client or any third party constitutes acceptance of the above conditions. Appraiser liability extends only to stated client, not subsequent parties or users of any type, and the total liability of appraiser and firm is limited to the amount of the fee received by appraiser. This appraisal report is an economic study for value; it is not an engineering, structural, mechanical, feasibility or architectural study.

The appraiser is not required to give testimony or to appear in court with reference to this property by reason of this report unless prior arrangements have been made.

Distribution of the value reported between land and buildings applies only under the existing program of utilization, and separate valuations for land and improvements must not be used in conjunction with any report and are invalid if so used.

Possession of this report, or a copy thereof, does not carry with it the right of publication, either in whole or in part, nor may it be used for any purpose by any except the party for whom it was prepared without the consent of the appraiser, and then only with proper qualifications.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news media, sales, or other media without written consent and approval of the author, particularly as to value conclusions, the identity of the appraiser or firm with which he is connected, or by reference to any professional societies or designations conferred upon the appraiser.

Users of this appraisal report are directed to obtain the services of a professional engineer to determine the presence and/or absence of hazardous materials including, but not limited to: asbestos and/or radon gas and/or urea formaldehyde foam insulation, as well as the structural integrity of the building and the present condition of its mechanical systems, since the appraiser(s) has made no such inspection expressly or implied and accept no responsibility. The presence of such substances or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there are no such materials on or in the property that would cause a loss in value.

This appraisal is specifically contingent upon, and the appraiser's understanding that, there has been, or will be, a removal of any underground storage tanks which exist or which may have existed on the subject site; also, that there has been no contamination of soils. If contamination has occurred, the contaminated soils and the source of contamination will be removed and the contamination remedied on the subject site in accordance with all federal and state regulations.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. Noncompliance with this Act may have a negative effect upon the property. Since a compliance survey is outside the realm of expertise of a real estate appraiser, a possible noncompliance with the requirement of ADA was not considered in this report. An expert in this field should be consulted.

Extraordinary Assumptions -- An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. (USPAP, 2020-2021 ed.)

There are no extraordinary assumptions for this appraisal.

Hypothetical Conditions – A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. (USPAP, 2020-2021 ed.)

The after value stated in this report is based on the hypothetical condition that the Clemson Road HP Growth Feeder is complete based on drawings prepared by SGC Surveying NC, PLLC for Dominion Energy, dated March 23, 2022, revised September 26, 2022.

Jurisdictional Exceptions – An assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP. (USPAP, 2020-2021 ed.)

No jurisdictional exceptions have been taken in the appraisal of the subject.

Other Conditions that Affect the Scope of Work

There are no specific conditions that affect the scope of work that have not been outlined within the body of this report.

Signature(s) / Electronic Signature(s)

The signature(s) contained within this report are personalized evidence indicating authentication of the work performed by the appraiser(s) and the acceptance of the responsibility for content, analyses, and the conclusions in the report. The signature(s) were applied by the original appraiser and represent the facts, opinions and conclusions found in the report. The appraiser applied signature(s) electronically using a password encrypted method. Hence, the signature(s) have more safeguards and carry the same validity as the individual's hand applied signature.

Glossary of Appraisal Terms

Appraisal¹: (noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.)

Appraiser's Peers: Other appraisers who have expertise and competency in a similar type assignment.

Assignment: A valuation service that is provided by an appraiser as a consequence of an agreement with a client.

Client²: The party or parties (i.e., individual, group, or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure; including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple interest in the subject property to reflect the value of the property interest being appraised.

Credible: Worthy of belief.

Discounted Cash Flow (DCF) Analysis: The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams as well as the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Easement: The right to use another's land for a stated purpose.

Exposure Time³: An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Highest and Best Use: The reasonably probable use property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Income Approach (income capitalization approach): Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.

Intended Use: The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.

¹ Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition

² Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition

³ Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition

Intended User: The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.

Leased Fee (leased fee interest): The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary rights when the lease expires.

Leasehold Interest: The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Report⁴: Any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client or a party authorized by the client upon completion of an assignment.

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.

Scope of Work: The type and extent of research and analyses in an appraisal or appraisal review assignment.

SOURCE: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

⁴ Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition

Neighborhood Data

Area Description & Boundaries

The subject property is located within Richland County, approximately 15 miles northeast of the central business district of Columbia. The property is located along the northeast side of Clemson Road and the north side of Two Notch Road, east of Interstate 77, in the area commonly known as Northeast Columbia. The subject neighborhood has good access from Interstate 20 and secondary highways and roads. Clemson Road bisects the neighborhood from southeast to northwest. Interstate 20 originates at its intersection with Interstate 95 in Florence, South Carolina as is the primary travel corridor west through Columbia, South Carolina to Atlanta, Georgia. Overall, the neighborhood has good interstate access and good access from secondary highways and roads. Access to shopping, schools and employment centers is good. The primary development within the immediate area of the subject is the approximately 300 acre mixed use development of the Village at Sandhill, located in the northwest quadrant of Clemson Road and Two Notch Road. The subject property is owned by Clemson University, utilized for forestry and agricultural purposes, is a primary feature within this market area and located in the northeast quadrant of Clemson Road and Two Notch Road. Fort Jackson, a primer military training facility containing approximately 52,000 acres is located on the south side of Interstate 20.

Area & Property Use Characteristics

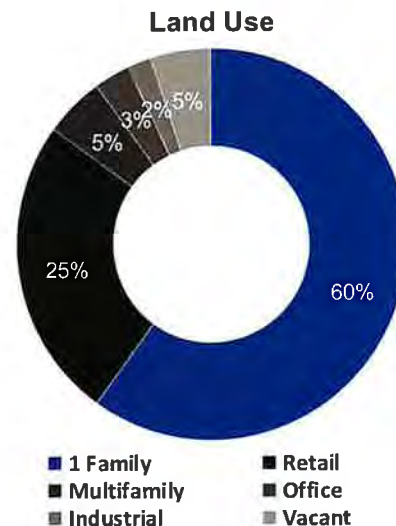
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Population Trend	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Build Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Employment Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	<input type="checkbox"/>
Built Up <input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	<input type="checkbox"/> Slow	Personal Income Level	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	<input type="checkbox"/>
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Retail Sales	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	<input type="checkbox"/>
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	New Construction	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	<input type="checkbox"/>
Vacancy Trend	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Vacancy Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	<input type="checkbox"/>
Change in Economic Base	<input type="checkbox"/> Likely	<input checked="" type="checkbox"/> Unlikely	<input type="checkbox"/> Taking Place	Rental Demand	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	<input type="checkbox"/>

Land Use Trends

Present Land Use	Supply/Demand			Vacancy
	Under	In Bal.	Over	
60% 1 Family	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	<input type="checkbox"/>	0-5%
25% Retail	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	<input type="checkbox"/>	0-10%
5% Multifamily	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	<input type="checkbox"/>	0-5%
3% Office	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	<input type="checkbox"/>	0-10%
2% Industrial	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	<input type="checkbox"/>	-10%
5% Vacant	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	<input type="checkbox"/>	
100%				

Change in Land Use	<input type="checkbox"/> Likely
	<input checked="" type="checkbox"/> Not Likely
	<input checked="" type="checkbox"/> Taking Place

Predominant new development continues to be residential with new retail, service and dining development being located along the primary travel corridors.



Adjacent Property Use

The land use patterns within the neighborhood consist predominantly of single family residential, commercial, and vacant land. Commercial and residential development in this market continues to grow. Vacant tracts of land remain available for future development. Commercial uses (north of Interstate-20) include the shopping area located along the Two Notch Road and Clemson Road travel corridors. As part of this development, and in close proximity, are other commercial uses that include banks, fast food restaurants, neighborhood shopping centers, and professional offices. A wide diversity of residential subdivisions are located within this area.

Utilities

Utilities in the subject neighborhood consist of water and sewer provided by the City of Columbia, electricity and natural gas provided Dominion, telephone service provided by AT&T as well as a number of independent carriers, and cable service provided by Spectrum. All available public utilities appear to be in adequate supply for development in the area.

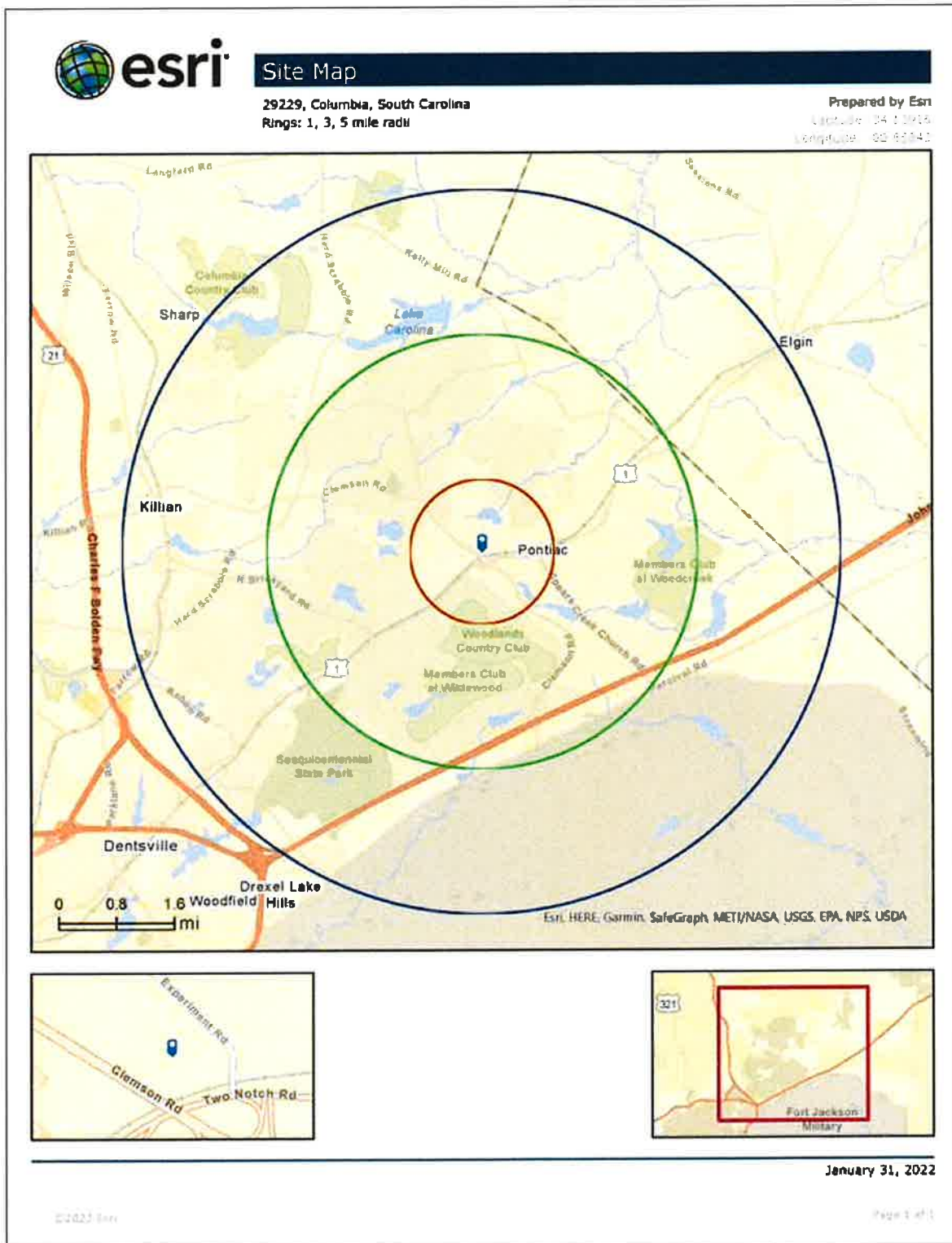
Government

Governmental considerations include zoning and building codes, real estate tax burdens, any special assessments for fire and police protection, schools, and other governmental services. The property is in the jurisdiction of the County of Richland. The zoning designation for the subject is OI, Office and Institutional District. This district is intended "to accommodate office, institutional, and certain types of residential uses in an area whose characteristics are neither general commercial nor exclusively residential in nature. Certain related structures and uses required to serve the needs of the area are permitted outright or are permitted as special exceptions subject to restrictions and requirements intended to best fulfill the intent of this chapter."

Richland County is the taxing authority for real estate within the subject neighborhood. Assessments and millage rates appear comparable to other similar neighborhoods in the county. It is expected that millage rates will continue to increase based on historical figures with no additional special assessments anticipated. The millage rates should not create an adverse effect on the market value of properties in the neighborhood due to real estate tax burden.

Social and Economic Considerations

The following is a Site Map and Graphic Profile analysis for the subject property prepared by *The Site to Do Business*.





esri

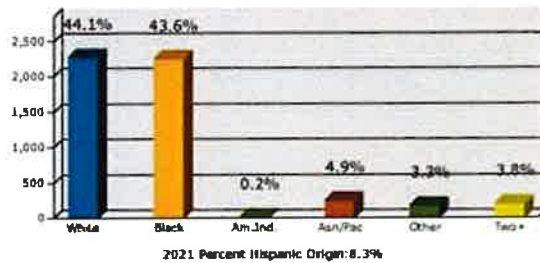
Graphic Profile

29229, Columbia, South Carolina
Ring: 1 mile radius

Prepared by Esri

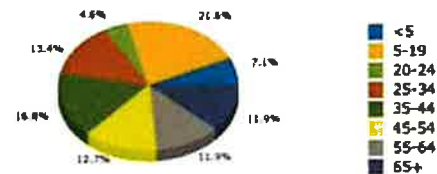
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Longitude: -82.95347

2021 Population by Race

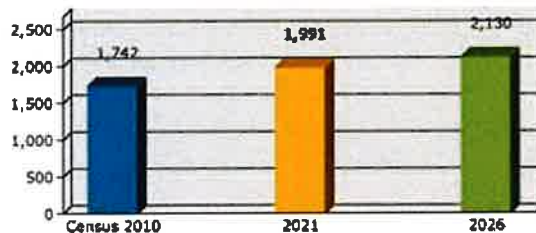


2021 Percent Hispanic Origin: 8.3%

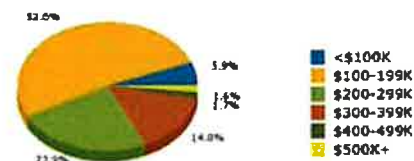
2021 Population by Age



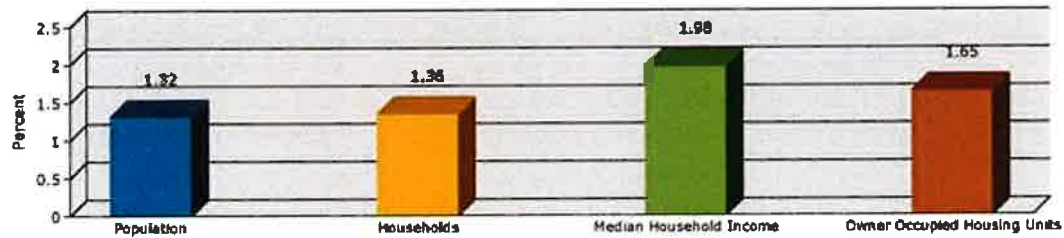
Households



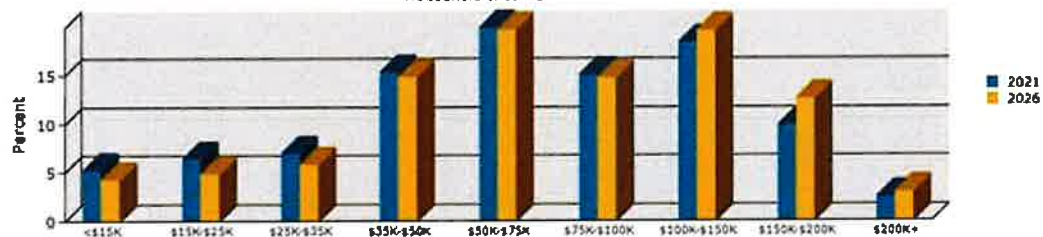
2021 Home Value



2021-2026 Annual Growth Rate



Household Income



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

January 31, 2022

2022 Esri

Page 1 of 2



esri

Graphic Profile

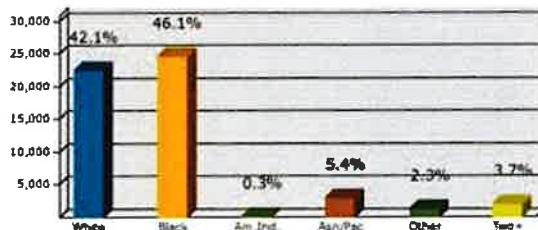
29229, Columbia, South Carolina
Ring: 3 mile radius

Prepared by Esri

Latitude: 34.13015

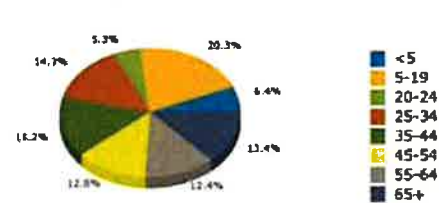
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2021 Population by Race

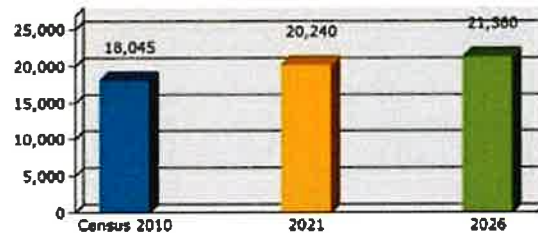


2021 Percent Hispanic Origin: 0.5%

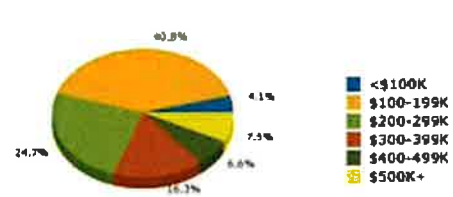
2021 Population by Age



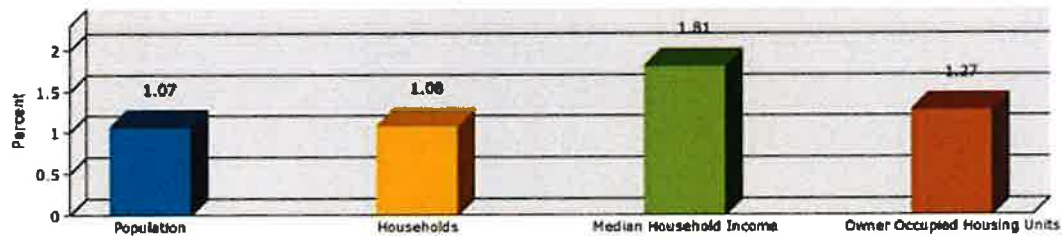
Households



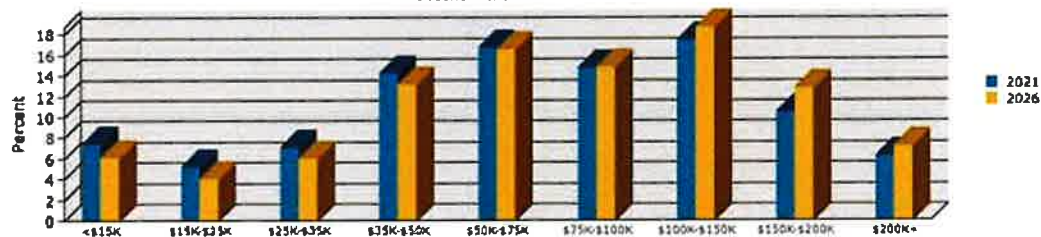
2021 Home Value



2021-2026 Annual Growth Rate



Household Income



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

January 31, 2022

21-085-001

Page 2 of 3



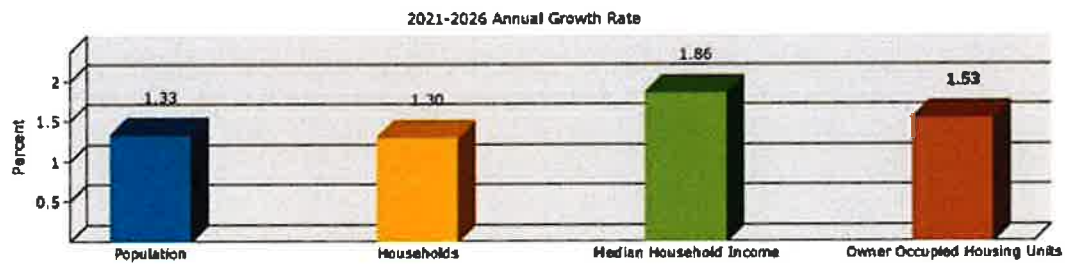
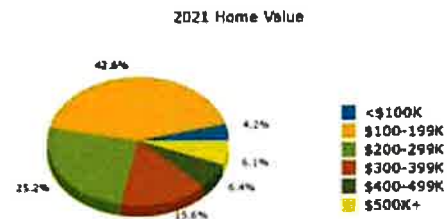
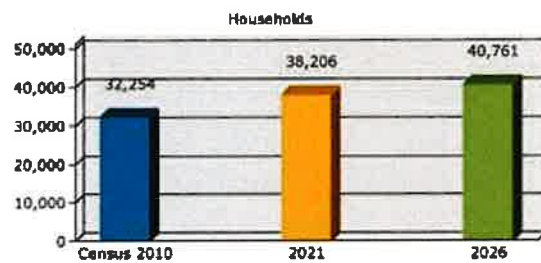
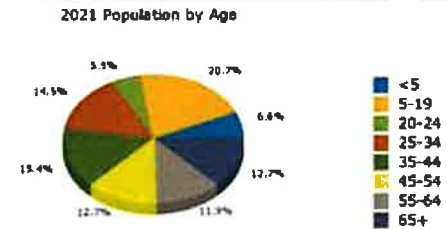
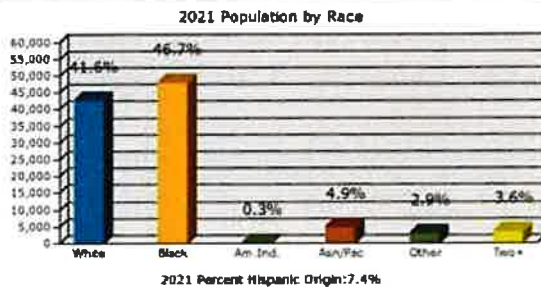
esri

Graphic Profile

29229, Columbia, South Carolina
Ring: 5 mile radius

Prepared by Esri

Latitude: 34.12816
Longitude: -80.91842



Sources: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

January 31, 2022

20222 Rev

Page 2 of 3

Description of Site

Location/Description

The subject property is an interior tract located along the northeast side Clemson Road, Columbia, Richland County, South Carolina.

Size and Shape

The subject property, comprised of one (1) parcel, containing a total of 569.800 acres of land is irregular in shape. A copy of the Aerial GIS map of the property is shown below to provide a better understanding of the size and shape of the subject property and the location of existing overhead electrical and gas line easements, crossing the subject site northeast to southwest.



Source: Richland County GIS (for demonstration purposes only, not to scale)

Road Frontage/Access

The property has approximately 4,033 linear feet of road frontage along Clemson Road; approximately 2,140.00 linear feet along Rhame Road; and approximately 6,173 linear feet along Westridge Road. Access to the property is by way of Clemson Road; Rhame Road; and Westridge Road. The property also has exposure to Two Notch Road. Access from Two Notch Road is via a single drive with a perpendicular rail road right of way crossing.

Topography, Drainage and Soils

The topography of the site is gently rolling and at grade with Clemson Road. The drainage appears to be adequate. The soils on the site are suitable for development as indicated by the improvements constructed on the adjoining and nearby sites.

Easements/Encroachments

Typical utility easements were located on the property as noted from inspection. The site is encumbered with a number existing overhead and underground utility easements that are considered typical of a site this size. These easements do not have a negative impact on the use or desirability of the property.

Zoning

The subject property is zoned OI, Office and Institutional District, by the County of Richland. This district is intended "to accommodate office, institutional, and certain types of residential uses in an area whose characteristics are neither general commercial nor exclusively residential in nature. Certain related structures and uses required to serve the needs of the area are permitted outright or are permitted as special exceptions subject to restrictions and requirements intended to best fulfill the intent of this chapter." The setbacks standards and building height standards within this district are as follows:

Minimum Yard Requirements & Building Height (feet)			
Front	Rear	Side	Building Height
25'	20'	7'	35'

It should be noted that at any time this property is developed with a more intense use a zoning change is highly probable and should be reasonably expected. Market information indicates the most probable zoning change would be some type planned development after County approval of a development plan.

Deed Restrictions

No recorded deed restrictions on the use of the property were located.

Tax Assessment Data

The tax data for the subject property was obtained from the tax records of Richland County with the property identified as Tax Map Number R23000-02-02. The 2021 fair market value of the property, based on 563.44 acres, is \$25,354,800. The 2021 taxes are exempt. The chart below shows the size (acres) per county assessor, market value and taxes for the property. The millage rate and taxes for 2022 have not yet been assessed.

2021 Tax Summary								
Tax Map ID	Location	Based on Acreage	Assessor's Market Value				2021 Taxes	Paid
			Land	Building	Agricultural	Other	Total	
R23000-02-02	900 Clemson Road	563.44	\$25,354,800	\$0	\$0	\$0	\$25,354,800	Exempt

Source: Richland County Assessor / Richland County Treasurer

The current tax law for the assessment of real estate has a provision that permits the tax assessor to adjust the market value for tax purposes to the assessable transfer of interest value (contract sales price). For counties with assessed values considerably less than actual market values, this will result in higher real estate taxes. The subject property, as a whole, has a current market value of \$25,354,800 (aggregate). State property tax legislation (Act 388) passed in 2007 allows for reassessment increase to be capped at 15% over a five-year period. Additionally, when a property is sold in a transaction that is considered an assessable transfer of interest (ATI), the property is subject to an immediate reassessment to the amount of the sales price. Legislation approved in 2011 is applicable to all primary residential properties which are assessed at a six percent (6%) rate and include commercial properties, investment properties and second homes but excludes manufacturing properties assessed at 10.5%. Properties will receive a 25% exemption from the sales value for taxation purposes. The exemption cannot decrease a property's assessed tax value beyond what is already established on the county tax rolls. All properties will continue to be subject to each county's reassessment program and will be subject to the 1% cap on tax increases for each five-year reassessment period.

Flood Insurance Rate Map (FIRM)

According to a review of the Richland County FIRM Map 45079C0163L, dated December 21, 2017, the property is located within Zones X and AE. The majority of the property is not within the flood hazard area however a portion located in the mid-section of the property is within the food hazard area. These flood hazard areas are located in two of the subject's ponds and overflow creek (Sandy Branch) in the low-lying area of the subject below the largest pond. A copy of the GIS Flood Map of the property is shown below to provide a better understanding of the area located within the flood hazard area.



Potential Environmental Hazards

An environmental site assessment has not been performed on the subject property. However, a CXS Transportation Railroad right of way is located along the subject's southern boundary. Use of this railroad right of way includes, but is not limited to, salvaged cars, construction debris, various types of fuel oils, and other hazardous chemicals. I am not an expert in environmental conditions; however, I recommend that any potential purchaser of the site have an environmental site assessment performed. If an environmental site assessment is performed and negative environmental conditions are present, a re-appraisal may be required.

Wetlands

A wetlands delineation has not been provided. The existing survey makes no reference to wetlands. I have assumed the property has no significant jurisdictional wetlands which would have a negative impact on the site. However, wetlands can be reasonably expected on this site in the area of Sandy Branch below the largest pond.

Utilities

Utilities available to the site include water and sewer provided by the City of Columbia, natural gas, if available, and electricity provided by Dominion Energy; telephone service provided by AT&T as well as independent providers, and cable service provided by Spectrum. All utilities are available in adequate supply at reasonable rates.

Description of Improvements

The subject property is improved with various farm and equipment buildings. It is our opinion that the acquisition will not have an impact on the improvements located on the property. Therefore, a detailed analysis of these improvements has not been prepared.

Subject Photographs and Exhibits

Date of Photos: August 5, 2022



LOOKING SOUTHEAST ON CLEMSON ROAD



EASTERN CORNER OF SUBJECT SITE AT CLEMSON ROAD



EASTERN CORNER OF SUBJECT SITE AT CLEMSON ROAD







EASTERN CORNER OF SUBJECT SITE AT CLEMSON ROAD



EXISTING AND PROPOSED EASEMENT AREA



EXISTING AND PROPOSED EASEMENT AREA

	
EXISTING AND PROPOSED EASEMENT AREA	INTERIOR OF SUBJECT SITE
	
INTERIOR OF SUBJECT SITE	EXISTING AND PROPOSED EASEMENT AREA
	
EXISTING AND PROPOSED EASEMENT AREA	EXISTING OVERHEAD ELECTRICAL EASEMENT AT RHAME ROAD CROSSING



LOOKING NORTHEAST AT EXISTING OVERHEAD ELECTRICAL EASEMENT AND VALVE STATION



EXISTING OVERHEAD ELECTRICAL EASEMENT AT RHAME ROAD CROSSING



ACCESS GATE FROM RHAME ROAD









INTERIOR OF SUBJECT SITE









INTERIOR OF SUBJECT SITE

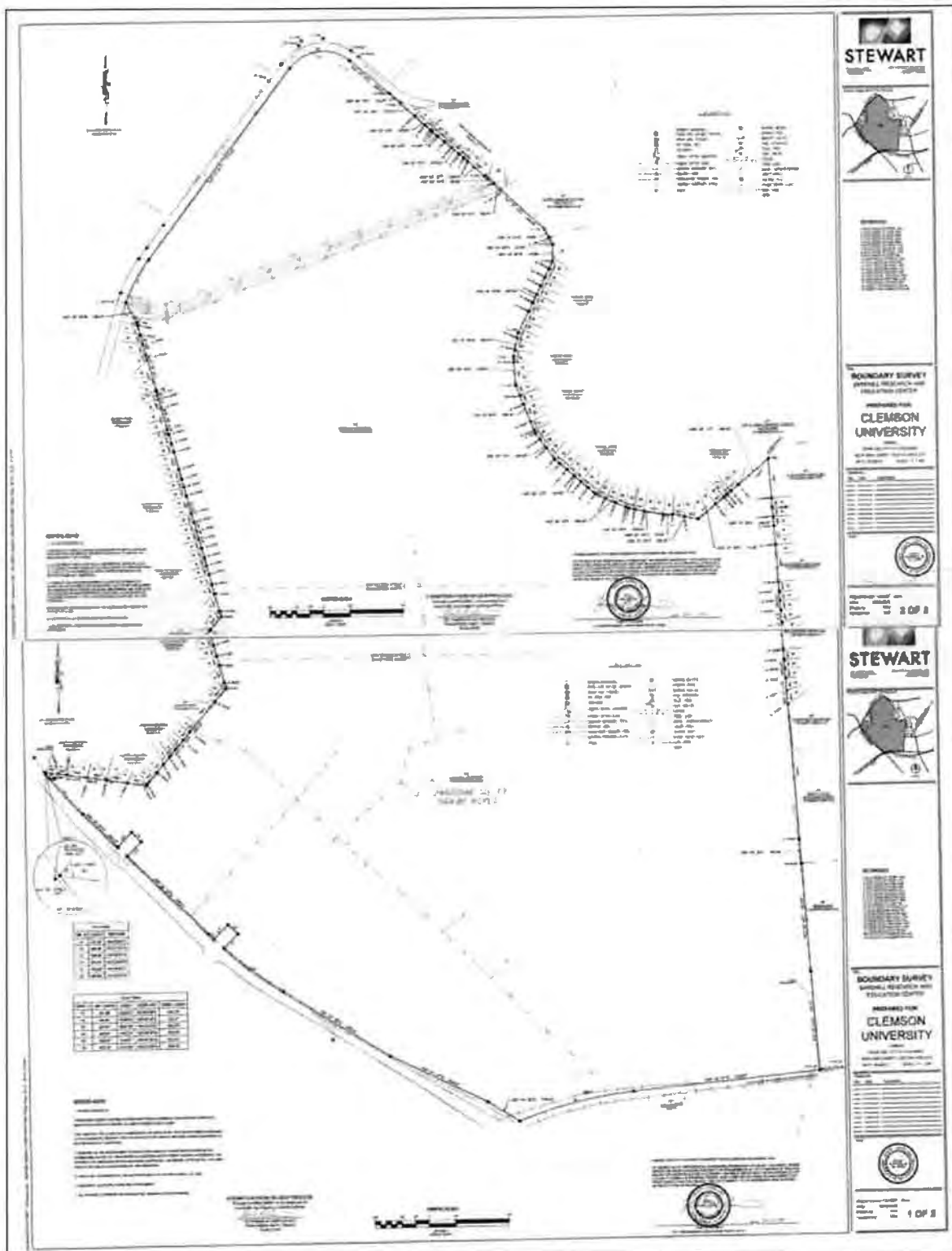


INTERIOR OF SUBJECT SITE

	
<p>INTERIOR OF SUBJECT SITE (SMALL POND)</p>	<p>INTERIOR OF SUBJECT SITE (LARGE POND)</p>
	
<p>INTERIOR OF SUBJECT SITE (MID-SIZED POND)</p>	<p>INTERIOR OF SUBJECT SITE</p>
	
<p>INTERIOR OF SUBJECT SITE</p>	<p>INTERIOR OF SUBJECT SITE (LARGE POND)</p>

	
<p>INTERIOR OF SUBJECT SITE</p>	<p>TYPICAL FARM BUILDINGS</p>
	
<p>TYPICAL FARM BUILDING</p>	<p>INTERIOR OF SUBJECT SITE</p>
	
<p>INTERIOR OF SUBJECT SITE</p>	<p>INTERIOR OF SUBJECT SITE</p>

SUBJECT PLAT





September 23, 2022

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

RE: Dominion Energy Easement for new pipeline and station and Carolina Gas Easement for new natural gas station on Clemson University owned property in Columbia – Sandhill REC

Office of Land & Capital
Asset Stewardship

CU-ICAR
5 Research Drive
Greenville, SC 29607

P 864-283-7100
F 864-283-7125

Dear Ms. Gordon:

Clemson University has been approached by Dominion Energy regarding a temporary construction license and easement related to installation of a new gas line to service the growing northeast area of Columbia. In addition to this, Carolina Gas has also requested an easement to install a new natural gas station which will support Dominion's request. These requests are related to the property Clemson University owns known as the Sandhill Research and Education Center (REC).

Dominion's requested easements (total of 3) encompass 1.197 acres and will accommodate a 10-foot easement which will run along the University's property line, as well as access to and installation of a valve station. In addition to the easement, Dominion has requested a temporary use of 3.033 acres during construction which is anticipated to be no more than 3-6 months. Dominion has agreed to compensate the University a negotiated total of \$60,700 and pay the DOA a \$2,100 administration fee for both the temporary construction license and easements.

In addition, to the compensation, Dominion has agreed to remove a small area of pine trees which has not been large enough to attract interest from a logger due to its size. This will remove a liability to the REC given the age of the timber and its proximity to an adjoining subdivision. Dominion will also stump, stabilize, and replant native grasses in this area.

Carolina Gas has requested a .06-acre easement to accommodate a valve station located immediately adjacent to the Dominion station. Carolina Gas will compensate Clemson at a negotiated price totaling \$8,000 and will pay DOA a \$700 administration fee for the easement.

Finally, the proposed easements are requested to be for a period of 50 years given that they will not materially impair or impact the education and research conducted at Sandhill REC and the additional work Dominion has agreed to, which includes



replacement of the timber areas with native grasses, will enhance the REC and assist with potential liabilities from felled trees. Additionally, Clemson recognizes the investment that is being made to the easement areas and believes a 50-year easement is appropriate. Given the 50-year request, an easement is the correct documentation to memorialize the transaction as opposed to a lease or license agreement which are typically shorter periods of time and are not standard documents used in the placement of utilities.

Enclosed please find two easements and one temporary construction license agreement from Dominion and one easement from Carolina Gas which have been approved by Clemson University. If you will please place these on the November meeting agenda, I would appreciate it. Thank you in advance for your attention to this matter. If you have any questions, please do not hesitate to contact me at (864) 283-7107.

Kindest regards,

Laura H. Stoner
Director

Enclosure

Cc: Carol Routh

STATE GRID NORTH
BY GNSS
FROM SCVRS
NAD83 (2011)

**RHAME ROAD TB 12-98
0.06 ACRE**

PT-PT	BEARING	DISTANCE
61-63	N 20°10'52" W	50.00'
63-64	N 69°49'08" E	50.00'
64-65	S 20°10'52" E	50.00'
65-61	S 69°49'08" W	50.00'

**GEODETTIC AND SC STATE
GRID POINT DATA**

HORIZONTAL DATUM: NAD83 (2011)
POINT NUMBER: 61
SC GRID COORDINATES
NORTH: 840,637.04'
EAST: 2,037,309.41'
GEODETTIC COORDINATES:
LATITUDE: N 034.14376785 (d)
LONGITUDE: W 080.87667776 (d)

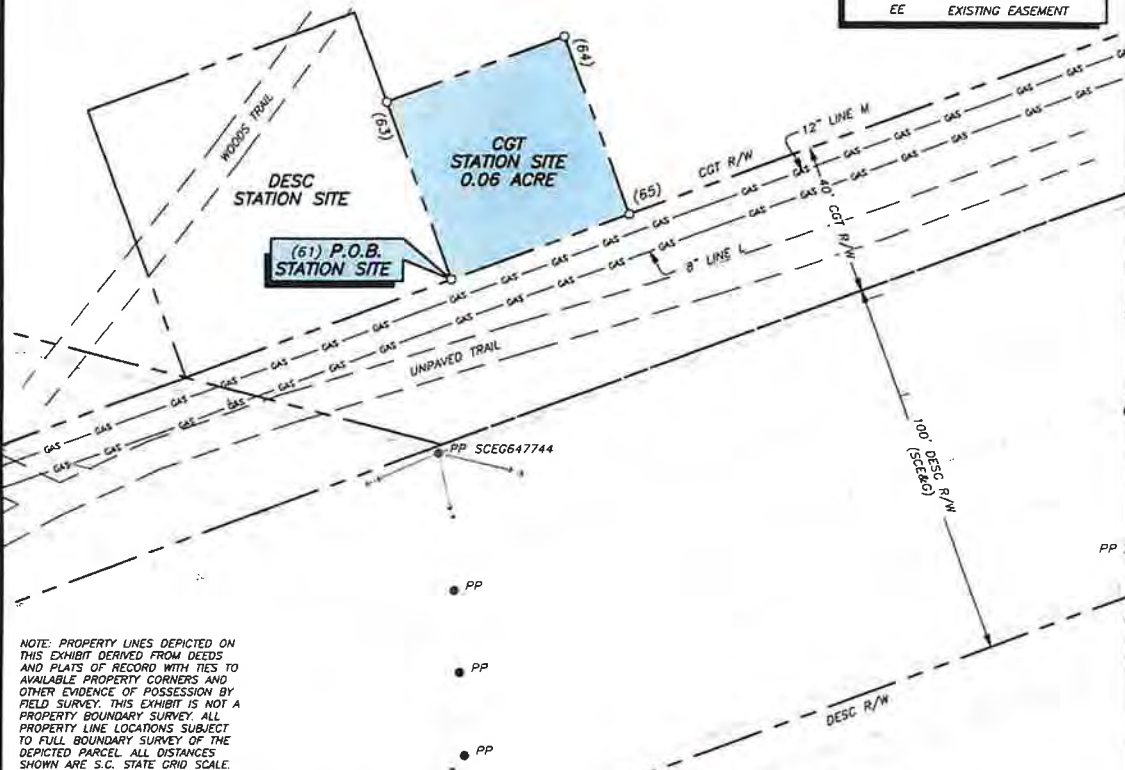
CLEMSON UNIVERSITY
TMS# R23000-02-02
DEED: BOOK R608 PAGE 486



LOCATION SKETCH
SCALE: 1 INCH = 3000 FEET

LEGEND

- P/L — PROPERTY LINE
- RIGHT-OF-WAY
- GAS — EXISTING GAS LINE
- TRANSMISSION LINE
- DIRT ROAD
- TWS TEMPORARY WORKSPACE
- POB POINT OF BEGINNING
- EE EXISTING EASEMENT



NOTE: PROPERTY LINES DEPICTED ON THIS EXHIBIT DERIVED FROM DEEDS AND PLATS OF RECORD WITH TIES TO AVAILABLE PROPERTY CORNERS AND OTHER EVIDENCE OF POSSESSION BY FIELD SURVEY. THIS EXHIBIT IS NOT A PROPERTY BOUNDARY SURVEY. ALL PROPERTY LINE LOCATIONS SUBJECT TO FULL BOUNDARY SURVEY OF THE DEPICTED PARCEL. ALL DISTANCES SHOWN ARE S.C. STATE GRID SCALE.

SURVEYOR'S SEAL



SURVEYOR'S SEAL



C.O.A. SEAL

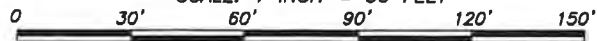


EASEMENT SURVEY FOR
CAROLINA
GAS TRANSMISSION, LLC

"RHAME ROAD TB 12-98 RELOCATION"

CROSSING PROPERTY OF
CLEMSON UNIVERSITY
RICHLAND COUNTY, SOUTH CAROLINA
JULY 26, 2022

SCALE: 1 INCH = 30 FEET



SURVEYED BY GLENN ASSOCIATES SURVEYING, INC.
P.O. BOX 12 JENKINSVILLE, S.C. 29065 telephone (803) 345-5297

Mark E. Mills
MARK E. MILLS; S.C.P.L.S. # 10779

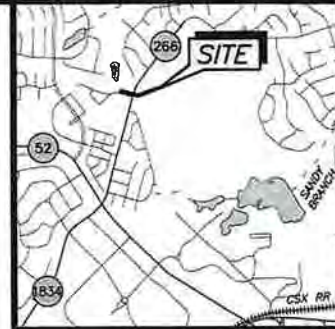
I HEREBY STATE THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STANDARDS OF PRACTICE MANUAL FOR SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN.

DRAWING BY ADAM JANOWICZ

STATE GRID NORTH
BY GNSS
FROM SCVRS
NAD83 (2011)

**RHAME ROAD TB 12-98
0.06 ACRE**

PT-PT	BEARING	DISTANCE
61-63	N 20°10'52" W	50.00'
63-64	N 69°49'08" E	50.00'
64-65	S 20°10'52" E	50.00'
65-61	S 69°49'08" W	50.00'



LOCATION SKETCH
SCALE: 1 INCH = 3000 FEET

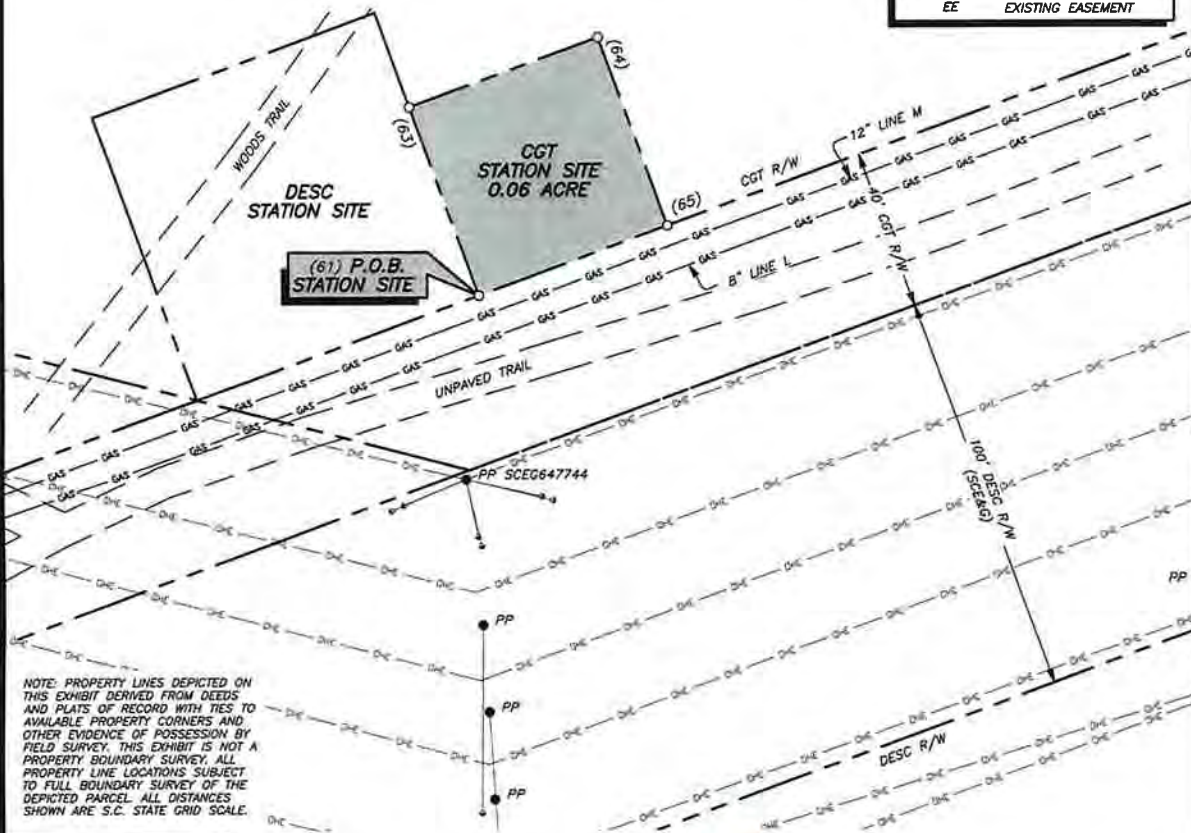
**GEODETIC AND SC STATE
GRID POINT DATA**

HORIZONTAL DATUM: NAD83 (2011)
POINT NUMBER: 61
SC GRID COORDINATES
NORTH: 840,637.04'
EAST: 2,037,309.41'
GEODETIC COORDINATES:
LATITUDE: N 034.14376785 (d)
LONGITUDE: W 080.87667776 (d)

CLEMSON UNIVERSITY
TMS# R23000-02-02
DEED: BOOK R608 PAGE 486

LEGEND

— P.L. — PROPERTY LINE
— — — RIGHT-OF-WAY
— GAS — EXISTING GAS LINE
— DHE — TRANSMISSION LINE
— — — DIRT ROAD
TWS TEMPORARY WORKSPACE
POB POINT OF BEGINNING
EE EXISTING EASEMENT



NOTE: PROPERTY LINES DEPICTED ON THIS EXHIBIT DERIVED FROM DEEDS AND PLATS OF RECORD WITH TIES TO AVAILABLE PROPERTY CORNERS AND OTHER EVIDENCE OF POSSESSION BY FIELD SURVEY. THIS EXHIBIT IS NOT A PROPERTY BOUNDARY SURVEY. ALL PROPERTY LINE LOCATIONS SUBJECT TO FULL BOUNDARY SURVEY OF THE DEPICTED PARCEL. ALL DISTANCES SHOWN ARE S.C. STATE GRID SCALE.

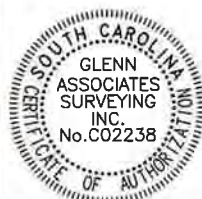
SURVEYOR'S SEAL



SURVEYOR'S SEAL



C.O.A. SEAL



EASEMENT SURVEY FOR
CAROLINA
GAS TRANSMISSION, LLC

"RHAME ROAD TB 12-98 RELOCATION"
CROSSING PROPERTY OF
CLEMSON UNIVERSITY
RICHLAND COUNTY, SOUTH CAROLINA
JULY 26, 2022

SCALE: 1 INCH = 30 FEET

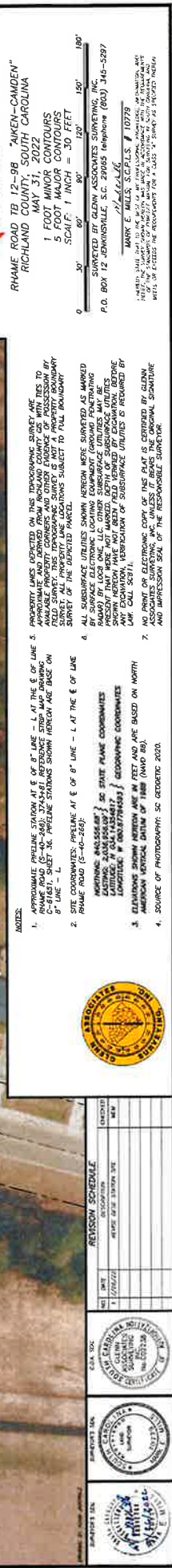
0 30' 60' 90' 120' 150'

SURVEYED BY GLENN ASSOCIATES SURVEYING, INC.
P.O. BOX 12 JENKINSVILLE, S.C. 29065 telephone (803) 345-5297

Mark E. Mills
MARK E. MILLS; S.C.P.L.S. # 10779

I HEREBY STATE THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STANDARDS OF PRACTICE MANUAL FOR SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN.

DRAWING BY ADAM JANOWICZ

[illegible]

- [illegible]

TOPOGRAPHIC SURVEY FOR
CAROLINA
GAS TRANSMISSION, LLC

RHAME ROAD TB 12-98 "AIKEN-CAMDEN"
RICHLAND COUNTY, SOUTH CAROLINA
MAY 31, 2022
1 FOOT MINOR CONTOURS

5 FOOT MAJOR CONTOURS
SCALE: 1 INCH = 30 FEET

Mark E. Mills
MARK E. MILLS, SC.PLS. # 10779

786G--2

**APPRAISAL REPORT OF
APPROXIMATELY 569.800 ACRES OF LAND
LOCATED ALONG THE NORTHEAST SIDE CLEMSON ROAD,
COLUMBIA, RICHLAND COUNTY, SOUTH CAROLINA
FOR A 0.060 ACRE METERING STATION EASEMENT ACQUISITION**



**AS OF
AUGUST 5, 2022**

FOR

**MR. JOHNNY HUGGINS, LAND AGENT, BHE GAS TRANSMISSION & STORAGE
CAROLINA GAS TRANSMISSION
121 MOORE HOPKINS LANE
COLUMBIA, SOUTH CAROLINA 29210**

BY

**GEORGE E. KNIGHT, JR., MAI
SOUTH CAROLINA STATE CERTIFIED GENERAL
REAL ESTATE APPRAISER NO. CG 1531**



Real Estate Appraisers and Consultants, LLC

R·E·A·C

"We're on point with value"



Real Estate Appraisers and Consultants, LLC

R·E·A·C

"We're on point with value"

September 27, 2022

Mr. Johnny Huggins, Land Agent, BHE Gas Transmission & Storage
Carolina Gas Transmission
121 Moore Hopkins Lane
Columbia, South Carolina 29210

RE: The appraisal of 569.800 acres of land located along the northeast side Clemson Road, Richland County, South Carolina. Property now or formerly of Clemson University, identified as Richland County TMS# R23000-02-02.
Our File No. 22-035

Dear Mr. Huggins:

At your request, I have inspected and appraised the property located along the northeast side Clemson Road, Columbia, Richland County, South Carolina. The property is further identified in the Richland County Tax Map System as TMS# R23000-02-02. The property contains approximately 569.800 acres of land and the acquisition contains a 0.060 acre easement for a metering station.

The intended use of the appraisal is to aid the client in determining the market value of the acquisition, as of August 5, 2022. The client is Carolina Gas Transmission. The Department of Administration and the State of South Carolina may rely upon this appraisal for its intended use.

The results of my inspection and analyses are combined in this letter along with the attached appraisal report which are intended to comply with the minimum requirements, as set forth in Standards Rule 2-2(a) of the *Uniform Standards of Professional Practice* (USPAP), 2020-2021 Edition, published by The Appraisal Foundation.

The value estimates reported in this letter are based upon the facts and conclusions contained in the appraisal report that is attached and should be considered an integral part of this transmittal and incorporated herein by reference. Special attention is brought to the assumptions and limiting conditions contained in the report. No other special assumptions have been made in arriving at the market value estimates. This appraisal assignment was not made, nor was the appraisal rendered on the basis of requested minimum valuations or specific valuations.

The interest appraised is that of the fee simple interest. The property has been appraised as if free and clear from all liens and encroachments which may render the title to the subject property unmarketable.

This letter and the attached appraisal report have been prepared in accordance with the Code of Professional Ethics and Uniform Standards of Professional Appraisal Practice, as approved and adopted by the Appraisal Standards Board of the Appraisal Foundation and the Appraisal Institute. The use of this letter and the attached report are subject to the requirements of the Appraisal Institute relating to their review by its duly authorized representatives.

Therefore, based upon the data outlined in the attached appraisal report, and the conclusions I have drawn from the analysis of the data, it is my opinion that the market value of the rights to be acquired by Carolina Gas Transmission, and damages, if any, to the remainder as of August 5, 2022, is:

Market Value Before:	\$22,792,000
Market Value After:	<u>\$22,789,800</u>
Value of Acquisition:	\$2,200

The final value estimates are based upon the various considerations outlined in the definition of market value shown earlier. The value estimates outlined within this report are based upon an estimated marketing time and exposure time of 12 to 18 months. It should be noted that exposure time occurs prior to the value estimate and the marketing time occurs after the value estimate.

My valuation of the subject property considered the best information that was available at the time of my analysis and users of this appraisal should consider the appraisal may be affected by the scope of work. Users are reminded that the appraisal conclusions in this report are effective as of the stated date(s) of valuation.

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

Respectfully submitted,



George E. Knight, Jr., MAI
S.C. State Certified General
Real Estate Appraiser No. CG 1531

GEKjr/kdw
Attachments:
41-Page Appraisal Report
Addenda

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Certification

I, the undersigned appraisers, do hereby certify to the best of my knowledge and belief that:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report and I have no personal interest with respect to the parties involved.

I have provided services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined result, value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

I have made a personal inspection of the property that is the subject of this report unless otherwise noted below.

No one provided significant real property appraisal assistance to the persons signing this report.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, George E. Knight, Jr., MAI, has completed the continuing education program for Designated Members of the Appraisal Institute.

SIGNED:


George E. Knight, Jr., MAI
South Carolina State Certified General
Real Estate Appraiser No. CG 1531
Inspecting Appraiser

Summary of Major Conclusions

Project:	Rhame Road TB 12-98 Relocation	Tract ID:	900 Clemson Road	
TMS:	R23000-02-02	County, State:	Richland, South Carolina	
Property Owner:	Clemson University 900 Clemson Road Columbia, South Carolina 29229	Effective Date:	August 5, 2022	
Boundaries or Significant Landmarks:	The subject property is located along the northeast side of Clemson Road. For a more accurate description the reader is directed to the Plats, Tax Maps, GIS Maps and/or Sketches contained in the Subject Photographs and Exhibits section of the report.			
Size of Tract - SF	24,820,546	General Shape:	Irregular	
Size of Tract - Acres:	569.800			
Zoning:	O1, Office and Institutional District	Present Use:	Vacant Land	
Tax Assessor's Market Value:		Amount	Based on Acreage	Per Acre
	Land:	\$25,354,800	563.44	\$45,000
	Improvements:	\$0		
	Miscellaneous	\$0		
	Total:	\$25,354,800		
	Agricultural:	\$0		
Highest and Best Use:	Before: Mixed- Use Development After: Mixed-Use Development			
Agreements of Sale, Options or Listings of the Subject Property:	The subject property is not currently listed for sale.			
Sales History (last 3 years):	A portion of the subject property (298.086 acres) was conveyed to Clemson University by a Quit Claim Deed from Joseph R. Clark, III, Serena R. Clark and Nancy N. Clark dated November 15, 2001, and recorded December 28, 2001, in the Office of the ROD for Richland County in Deed Book 608 at Page 486. Based on additional information, the remaining portion (approximately 271.714 acres) was conveyed to Clemson University. I was unable to verify this with our research in the Richland County Register of Deeds Office. I recommend a full title search of the property be performed by a Title Abstractor or Real Estate Attorney.			
Description of Acquisition:	The acquisition is an easement for a 50 feet by 50 feet metering station adjoining the northern border of the existing 40 foot Carolina Gas Transmission pipeline right of way for the laying, construction, and maintenance as shown on survey entitled Rhame Road TB 12-98 Relocation and as shown on a survey entitled Rhame Road TB 12-98 Aiken to Camden as further shown on Exhibit A and Exhibit B, prepared by Glenn Associates Surveying, Inc. for Carolina Gas Transmission, LLC, dated July 26, 2022 and May 31, 2022 (revised July 26, 2022). The acquisition is for an easement containing a total of 0.06 acres of land. Copies of the easement document and easement drawings (Exhibits A (document) and Exhibit B (drawings)) are contained in the Subject Photographs and Exhibits section of this report and should be consulted for a complete understanding of the property rights to be acquired and the location of the easements.			
Market Value of Tract Before Acquisition:	Size - Acre		Value Per Acre	Value:
	569.800	(Unencumbered)	\$40,000	\$22,792,000
	0.000	(Existing Easements not calculated)	\$0	\$0
	0.000	Temporary Const. License 0 acres	\$0	\$0
		Unencumbered - 1 yr annual rent		\$22,792,000
	569.800		Rounded	\$22,792,000
Market Value of Tract After Acquisition:	Size - Acre		Value Per Acre	Value:
	569.740	(Unencumbered)	\$40,000	\$22,789,600
	0.000	(Existing Easements not calculated)	\$0	\$0
	0.060	(Easement)	\$4,000	\$240
	569.800			\$22,789,840
			Rounded	\$22,789,800
Market Value Before:	\$22,792,000			
Market Value After:	\$22,789,800			
Value of Acquisition:	\$2,200			
Analysis of Acquisition:	The acquisition of this easement affects the highest and best use of the area within the easement area containing 0.06 acres. Changes in highest and best use and severance damage caused by the existing easements located on the subject site, if any, occurred prior to the acquisition described herein. The size (acres) of the easement was provided by the client. The size of the existing easements have not been provided and are not allocated. Ninety (90) percent loss in fee simple value is made to the area within the new easement as utility within the easement area is diminished as no vertical improvements or uses that would obstruct the use of the easement by the utility company are permitted.			
Hypothetical Condition:	The after value stated in this report is based on the hypothetical condition that the Rhame Road TB 12-98 Relocation and Rhame Road TB 12-98 Aiken to Camden is complete based on drawings prepared by Glenn Associates Surveying, Inc. for Carolina Gas Transmission, LLC, dated July 26, 2022 and May 31, 2022 (revised July 26, 2022).			
Disclaimer:	The value conclusion(s) shown herein should not be taken out of context or in any manner utilized for the valuation of the component parts of the subject property without full disclosure of the entire contents of my work files.			

Assignment Elements

Client and Intended User

The client is Carolina Gas Transmission. The intended user is Carolina Gas Transmission as well as agents identified by Carolina Gas Transmission. There are no other intended users. Possession of this report does not constitute an intended user.

Intended Use

The intended use of this appraisal is to aid the client in determining the market value of the acquisition. The Department of Administration and the State of South Carolina may rely upon this appraisal for its intended use.

Appraisal Reporting

Based upon the client's intended use of the appraisal, I have prepared an appraisal report of the property. This appraisal report is intended to comply with the minimum requirements of Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report.

Property Rights Appraised

In order to estimate the market value of the easement, I have appraised the fee simple interest of the subject property both before and after the acquisition. The property is appraised assuming it is free and clear of all liens and encumbrances that may render the title to the subject property unmarketable.

Type and Definition of Value

Market value is defined in *The Dictionary of Real Estate Appraisal*, Sixth Edition, published by the Appraisal Institute, as *"The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby: 1) buyer and seller are typically motivated; 2) both parties are well informed or well advised, and each acting in what they consider their best interest; 3) a reasonable time is allowed for exposure in the open market; 4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."* (12 C.F.R. Part 34.42(f))

Effective Date

The effective date of the appraisal is August 5, 2022; the date of the report is September 27, 2022. Our primary point of contact for the property owner was Laura H. Stoner, LEED AP, Director Clemson University Office of Land & Capital Asset Stewardship. She provided local contacts for the property and I met with Steven Crisp at the Sandhills site, to discuss the acquisition and inspect the site on August 5, 2022.

Subject of the Assignment and its Relevant Characteristics

The subject of the assignment is to provide an estimate of the market value of the rights to be acquired and damages, if any, to be paid to the property owner for the acquisition of an easement for the construction and maintenance of a metering station affecting a portion of the subject property. The subject site is located along the northeast side Clemson Road within Richland County, South Carolina. The property is further identified in the Richland County Tax Map System as TMS# R23000-02-02. The property is irregular in shape, contains approximately 569.800 acres. The site size reported herein was determined by a survey dated June 6, 2019 by Stewart titled "Boundary Survey Sandhill Research and Education Center" prepared for Clemson University.

Ownership History

A portion of the subject property (298.086 acres) was conveyed to Clemson University by a Quit Claim Deed from Joseph R. Clark, III, Serena R. Clark and Nancy N. Clark dated November 15, 2001, and recorded December 28, 2001, in the Office of the ROD for Richland County in Deed Book 608 at Page 486. Based on additional information, the remaining portion (approximately 271.714 acres) was conveyed to Clemson University. I was unable to verify this with our research in the Richland County Register of Deeds Office. I recommend a full title search of the property be performed by a Title Abstractor or Real Estate Attorney.

Listing and Contracts of Sale

Research of the applicable public records and private data services revealed that the subject property is not currently under current agreement or option and is not offered for sale on the open market.

Marketing Time / Exposure Time

The final value estimate is based upon the various considerations outlined in the definition of market value shown earlier. The value estimate outlined within this report is based upon an estimated marketing time and exposure time of 12 to 18 months. It should be noted that exposure time occurs prior to the value estimate and the marketing time occurs after the value estimate.

Scope of Work

As a part of this appraisal, I made a number of independent investigations and analyses. I relied upon data retained in my office files, which I update regularly. The investigations undertaken and the major data sources used are outlined as follows. I reviewed the local economic and demographic trends for Richland County on the *Site to Do Business* website. I studied the available market data and economic trends of the subject's market area and other similar market areas. I inspected the subject neighborhood and the subject property. We examined the records of Richland County concerning the zoning ordinance and the available public utilities in the area. I examined the records of Richland County Tax Assessor's Office and reviewed the method of taxation and the specific tax data including assessment percentages and millage rates applicable to the subject properties. I examined the public records for deeds and plats relating to the subject property.

I obtained sales information of vacant land within the subject's market area and other similar market areas. Sources utilized to verify the sales analyzed include a portion or all of the following: public records, aerial photographs, brokers, owners, third parties, real estate appraisal files and inspections. I have the competency to complete the assignment based upon my experience and training including the completion of previous assignments involving similar properties.

The intended use of this appraisal is to aid the client in determining the market value of the acquisition. Conventional appraisal theory dictates that market value may be determined by the use of one of more of the three accepted approaches to value. These approaches to value are the cost approach, the sales comparison approach and the income capitalization approach. In order to estimate the market value of the easement, I have appraised the fee simple interest of the subject property both before and after the acquisition. The property has been appraised as if it were free and clear of all liens and encumbrances which may render the title to the subject property unmarketable.

The cost approach is a set of procedures by which an indication of the value of the subject is obtained by estimating the depreciated value of the subject improvements, to which is added the value of the subject site, valued at its highest and best use.

The sales comparison approach is a set of procedures by which an indication of the value of the subject property is estimated by comparing it to similar properties which have sold recently. Appropriate units of comparison are used and adjustments, based upon various elements of comparison, are made to the sales.

The income capitalization approach is a set of procedures by which an indication of the value of the subject is estimated based upon converting anticipated income into value. The conversion of income into value is accomplished by capitalizing (discounting) a single year's income or several year's income into value.

As outlined in this report, the subject property is improved with various farm and equipment buildings. It is our opinion that the acquisition will not have an impact on the improvements located on the property. The valuation conclusion shown herein is based upon our determination of highest and best use of the subject property as vacant and available for development is for a mixed-use development taking place in multiple phases. The only valuation made herein is of the subject's 569.800 acre site. Therefore, in the valuation of the subject property as vacant, the sales comparison approach will be used. The information upon which this approach to value is based is from the market and is the best information available for the application of the approach to value and will lead to a credible value conclusion.

The acreages of the existing easements are not available in their entirety and therefore are not calculated herein. These calculations would have a nominal impact on overall value and no impact on the value indicated for the new easements. The crossing of utility easements, like those existing on the subject site, are reasonably expected by developers and dealt with in site engineering.

Assignment Conditions

Assumptions and Limiting Conditions

The legal description, or other property identification furnished by others, is assumed to be correct, and no responsibility is assumed for matters legal in nature. No opinion is rendered as to title, which is assumed to be marketable. Any existing liens or encumbrances have been disregarded, and the property is appraised as if free and clear, unless otherwise noted in the body of the report.

No current survey of the property was made, and the improvements are assumed to be within the lot lines, in accordance with local building codes. Drawings, sketches, or maps are included in this report for the sole purpose of assisting the reader in visualizing the property. Unless otherwise indicated, they are not engineering drawings.

There is a full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in this appraisal report.

All applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.

All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

In cases of proposed projects, all permits and governmental regulations are assumed to be secured and/or complied with.

All major improvements on the property being appraised appear to be structurally sound, unless otherwise noted within the body of the appraisal. However, the appraiser is not an engineer and has not been instructed to secure a qualified engineer's certification of the structural soundness of the said improvements or functional utility of major appliances or mechanical failures which would not be reasonably obvious in the scope of an appraiser's normal inspection of the specified improvements, or to a prudent purchaser.

Certain information used in this report has been furnished by others. The sources and the information are considered to be reliable, but cannot be guaranteed.

The subject property is assumed to be under responsible ownership and reasonable and competent management.

No responsibility is assumed for service or operating inspections of equipment in the buildings covered by the appraisal report.

No responsibility is assumed for an inspection of weather tightness of the exterior or interior surfaces of this building.

No tests of material or equipment were made.

Acceptance of, and/or use of, this appraisal report by client or any third party constitutes acceptance of the above conditions. Appraiser liability extends only to stated client, not subsequent parties or users of any type, and the total liability of appraiser and firm is limited to the amount of the fee received by appraiser. This appraisal report is an economic study for value; it is not an engineering, structural, mechanical, feasibility or architectural study.

The appraiser is not required to give testimony or to appear in court with reference to this property by reason of this report unless prior arrangements have been made.

Distribution of the value reported between land and buildings applies only under the existing program of utilization, and separate valuations for land and improvements must not be used in conjunction with any report and are invalid if so used.

Possession of this report, or a copy thereof, does not carry with it the right of publication, either in whole or in part, nor may it be used for any purpose by any except the party for whom it was prepared without the consent of the appraiser, and then only with proper qualifications.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news media, sales, or other media without written consent and approval of the author, particularly as to value conclusions, the identity of the appraiser or firm with which he is connected, or by reference to any professional societies or designations conferred upon the appraiser.

Users of this appraisal report are directed to obtain the services of a professional engineer to determine the presence and/or absence of hazardous materials including, but not limited to: asbestos and/or radon gas and/or urea formaldehyde foam insulation, as well as the structural integrity of the building and the present condition of its mechanical systems, since the appraiser(s) has made no such inspection expressly or implied and accept no responsibility. The presence of such substances or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there are no such materials on or in the property that would cause a loss in value.

This appraisal is specifically contingent upon, and the appraiser's understanding that, there has been, or will be, a removal of any underground storage tanks which exist or which may have existed on the subject site; also, that there has been no contamination of soils. If contamination has occurred, the contaminated soils and the source of contamination will be removed and the contamination remedied on the subject site in accordance with all federal and state regulations.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. Noncompliance with this Act may have a negative effect upon the property. Since a compliance survey is outside the realm of expertise of a real estate appraiser, a possible noncompliance with the requirement of ADA was not considered in this report. An expert in this field should be consulted.

Extraordinary Assumptions -- An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. (USPAP, 2020-2021 ed.)

There are no extraordinary assumptions for this appraisal.

Hypothetical Conditions – A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. (USPAP, 2020-2021 ed.)

The after value stated in this report is based on the hypothetical condition that the Rhame Road TB 12-98 Relocation and Rhame Road TB 12-98 Aiken to Camden is complete based on drawings prepared by Glenn Associates Surveying, Inc. for Carolina Gas Transmission, LLC, dated July 26, 2022 and May 31, 2022 (revised July 26, 2022).

Jurisdictional Exceptions – An assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP. (USPAP, 2020-2021 ed.)

No jurisdictional exceptions have been taken in the appraisal of the subject.

Other Conditions that Affect the Scope of Work

There are no specific conditions that affect the scope of work that have not been outlined within the body of this report.

Signature(s) / Electronic Signature(s)

The signature(s) contained within this report are personalized evidence indicating authentication of the work performed by the appraiser(s) and the acceptance of the responsibility for content, analyses, and the conclusions in the report. The signature(s) were applied by the original appraiser and represent the facts, opinions and conclusions found in the report. The appraiser applied signature(s) electronically using a password encrypted method. Hence, the signature(s) have more safeguards and carry the same validity as the individual's hand applied signature.

Glossary of Appraisal Terms

Appraisal¹: (noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.)

Appraiser's Peers: Other appraisers who have expertise and competency in a similar type assignment.

Assignment: A valuation service that is provided by an appraiser as a consequence of an agreement with a client.

Client²: The party or parties (i.e., individual, group, or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure; including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple interest in the subject property to reflect the value of the property interest being appraised.

Credible: Worthy of belief.

Discounted Cash Flow (DCF) Analysis: The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams as well as the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Easement: The right to use another's land for a stated purpose.

Exposure Time³: An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Highest and Best Use: The reasonably probable use property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Income Approach (income capitalization approach): Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.

Intended Use: The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.

¹ Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition

² Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition

³ Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition

Intended User: The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.

Leased Fee (leased fee interest): The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary rights when the lease expires.

Leasehold Interest: The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Report⁴: Any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client or a party authorized by the client upon completion of an assignment.

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.

Scope of Work: The type and extent of research and analyses in an appraisal or appraisal review assignment.

SOURCE: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

⁴ Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition

Neighborhood Data

Area Description & Boundaries

The subject property is located within Richland County, approximately 15 miles northeast of the central business district of Columbia. The property is located along the northeast side of Clemson Road and the north side of Two Notch Road, east of Interstate 77, in the area commonly known as Northeast Columbia. The subject neighborhood has good access from Interstate 20 and secondary highways and roads. Clemson Road bisects the neighborhood from southeast to northwest. Interstate 20 originates at its intersection with Interstate 95 in Florence, South Carolina as is the primary travel corridor west through Columbia, South Carolina to Atlanta, Georgia. Overall, the neighborhood has good interstate access and good access from secondary highways and roads. Access to shopping, schools and employment centers is good. The primary development within the immediate area of the subject is the approximately 300 acre mixed use development of the Village at Sandhill, located in the northwest quadrant of Clemson Road and Two Notch Road. The subject property is owned by Clemson University, utilized for forestry and agricultural purposes, is a primary feature within this market area and located in the northeast quadrant of Clemson Road and Two Notch Road. Fort Jackson, a primer military training facility containing approximately 52,000 acres is located on the south side of Interstate 20.

Area & Property Use Characteristics

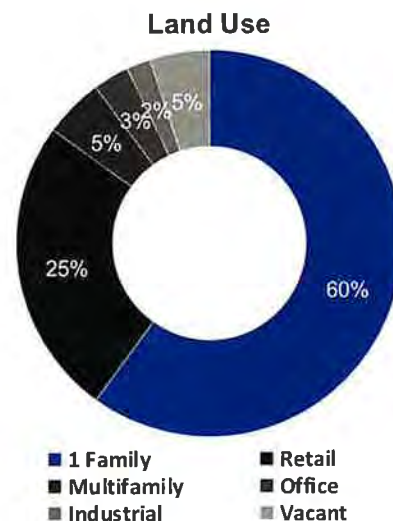
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Population Trend	Up	Stbl	Dn
Build Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Employment Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Built Up <input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	<input type="checkbox"/> Slow	Personal Income Level	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Retail Sales	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	New Construction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vacancy Trend	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Vacancy Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Change in Economic Base	<input type="checkbox"/> Likely	<input checked="" type="checkbox"/> Unlikely	<input type="checkbox"/> Taking Place	Rental Demand	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Land Use Trends

Present Land Use	Supply/Demand			Vacancy
	Under	In Bal.	Over	
60% 1 Family	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0-5%
25% Retail	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0-10%
5% Multifamily	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0-5%
3% Office	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0-10%
2% Industrial	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	-10%
5% Vacant	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
100%				

Change in Land Use	Likely	<input type="checkbox"/>
	Not Likely	<input checked="" type="checkbox"/>
	Taking Place	<input checked="" type="checkbox"/>

Predominant new development continues to be residential with new retail, service and dining development being located along the primary travel corridors.



Adjacent Property Use

The land use patterns within the neighborhood consist predominantly of single family residential, commercial, and vacant land. Commercial and residential development in this market continues to grow. Vacant tracts of land remain available for future development. Commercial uses (north of Interstate-20) include the shopping area located along the Two Notch Road and Clemson Road travel corridors. As part of this development, and in close proximity, are other commercial uses that include banks, fast food restaurants, neighborhood shopping centers, and professional offices. A wide diversity of residential subdivisions are located within this area.

Utilities

Utilities in the subject neighborhood consist of water and sewer provided by the City of Columbia, electricity and natural gas provided Dominion, telephone service provided by AT&T as well as a number of independent carriers, and cable service provided by Spectrum. All available public utilities appear to be in adequate supply for development in the area.

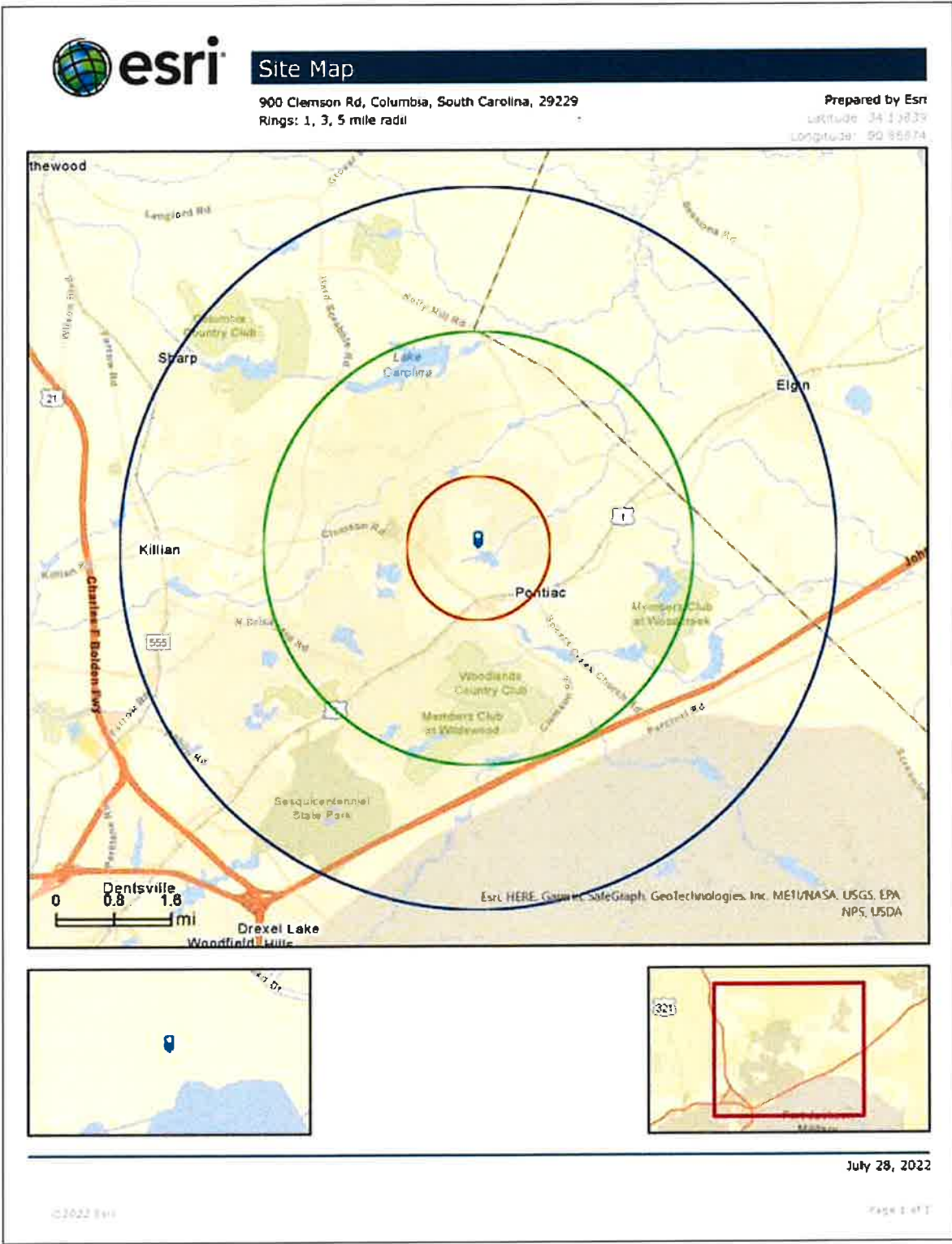
Government

Governmental considerations include zoning and building codes, real estate tax burdens, any special assessments for fire and police protection, schools, and other governmental services. The property is in the jurisdiction of the County of Richland. The zoning designation for the subject is OI, Office and Institutional District. This district is intended "to accommodate office, institutional, and certain types of residential uses in an area whose characteristics are neither general commercial nor exclusively residential in nature. Certain related structures and uses required to serve the needs of the area are permitted outright or are permitted as special exceptions subject to restrictions and requirements intended to best fulfill the intent of this chapter."

Richland County is the taxing authority for real estate within the subject neighborhood. Assessments and millage rates appear comparable to other similar neighborhoods in the county. It is expected that millage rates will continue to increase based on historical figures with no additional special assessments anticipated. The millage rates should not create an adverse effect on the market value of properties in the neighborhood due to real estate tax burden.

Social and Economic Considerations

The following is a Site Map and Graphic Profile analysis for the subject property prepared by *The Site to Do Business*.





esri

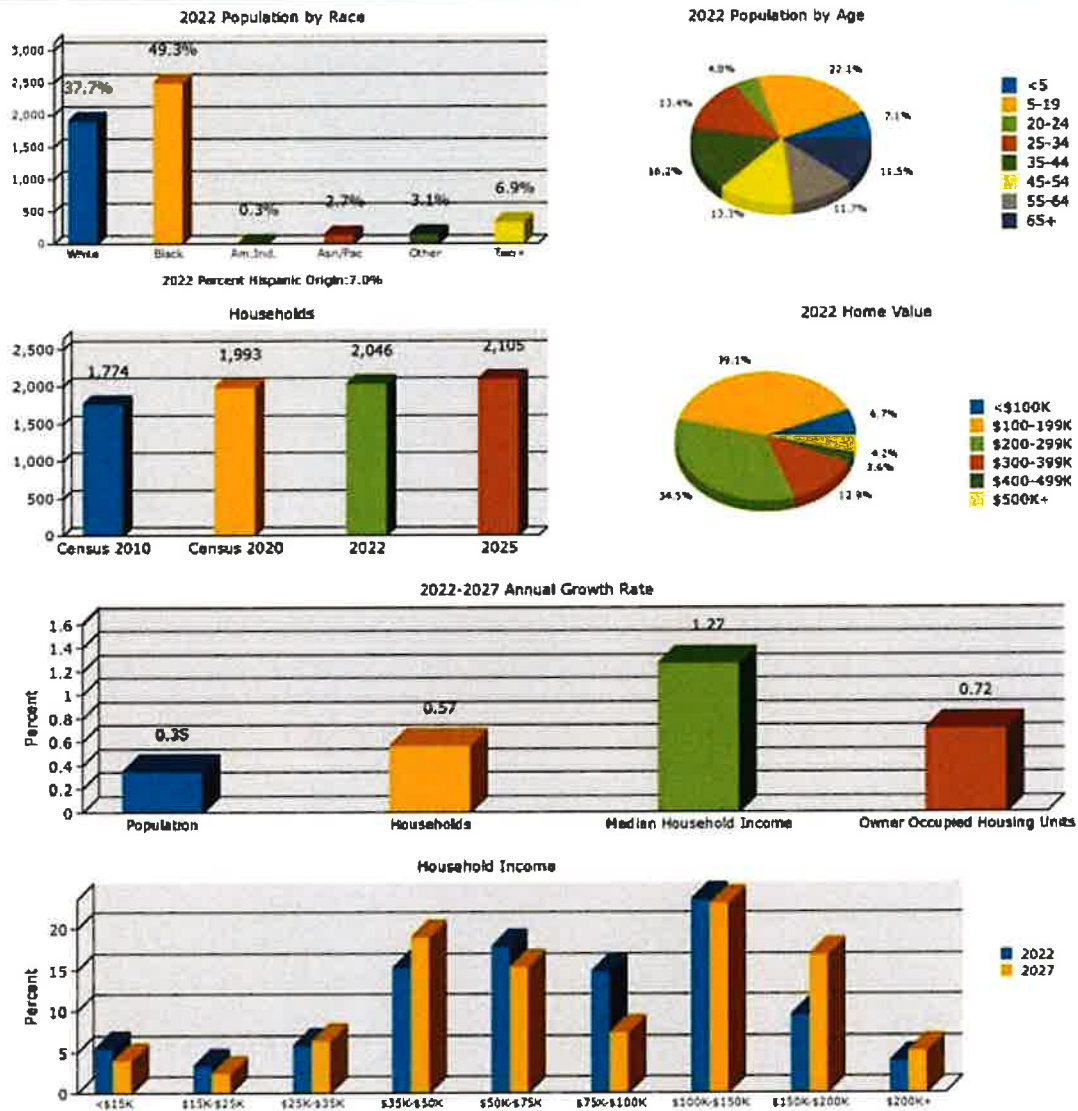
Graphic Profile

900 Clemson Rd, Columbia, South Carolina, 29229
Ring: 1 mile radius

Prepared by Esri

L301608 24 13039

Project Name: 22-03574



Source: Esri forecasts for 2022 and 2027. U.S. Census Bureau 2010 decennial Census data converted by Esri into 2020 geography.

July 28, 2022

22-03574

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esri

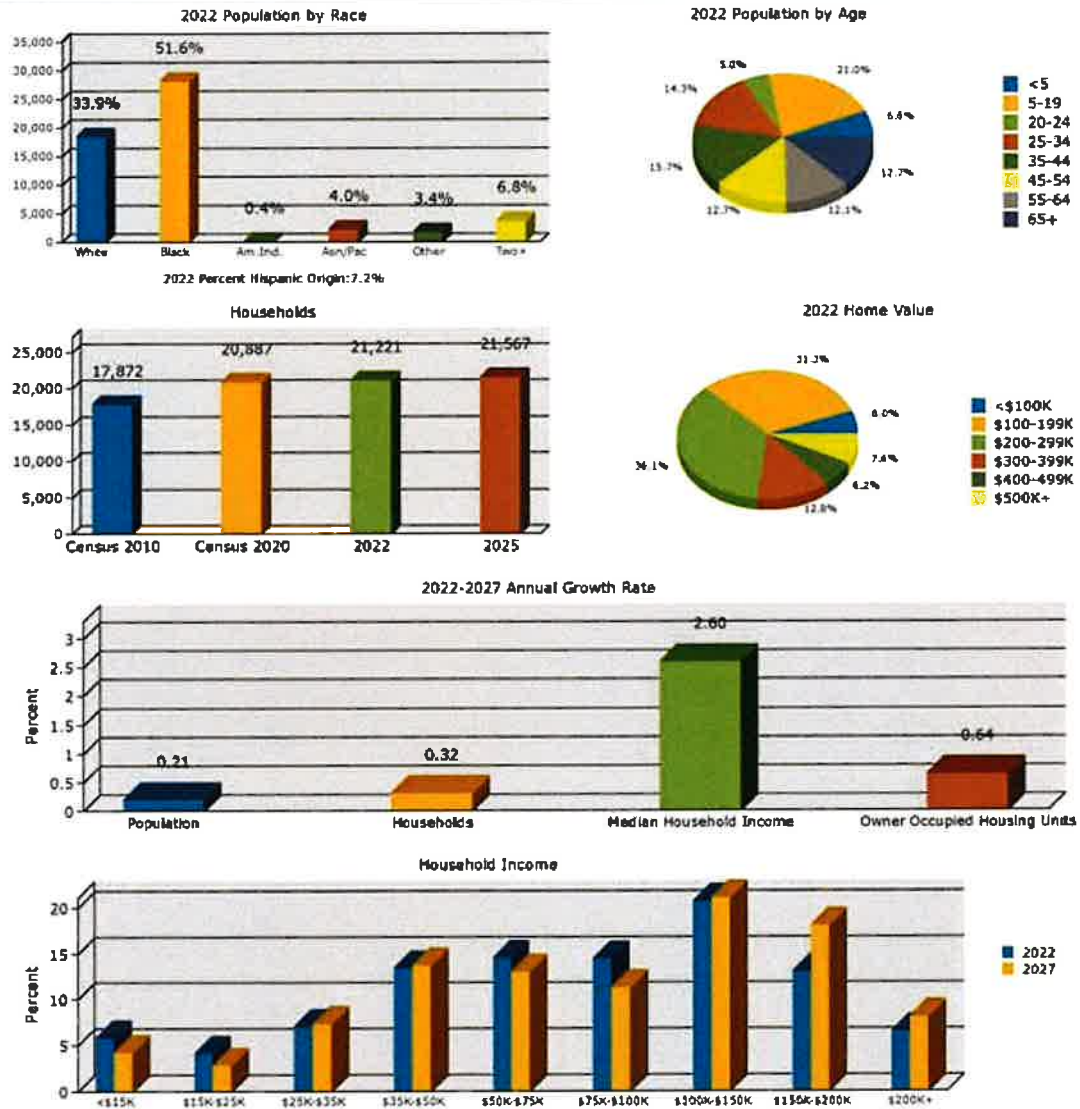
Graphic Profile

900 Clemson Rd, Columbia, South Carolina, 29229
Ring: 3 mile radius

Prepared by Esri

Latitude: 34.13839

Longitude: -80.96874



Sources: Esri forecasts for 2022 and 2027; U.S. Census Bureau 2010 decennial Census data converted by Esri into 2020 geography.

July 28, 2022

2022-07-28

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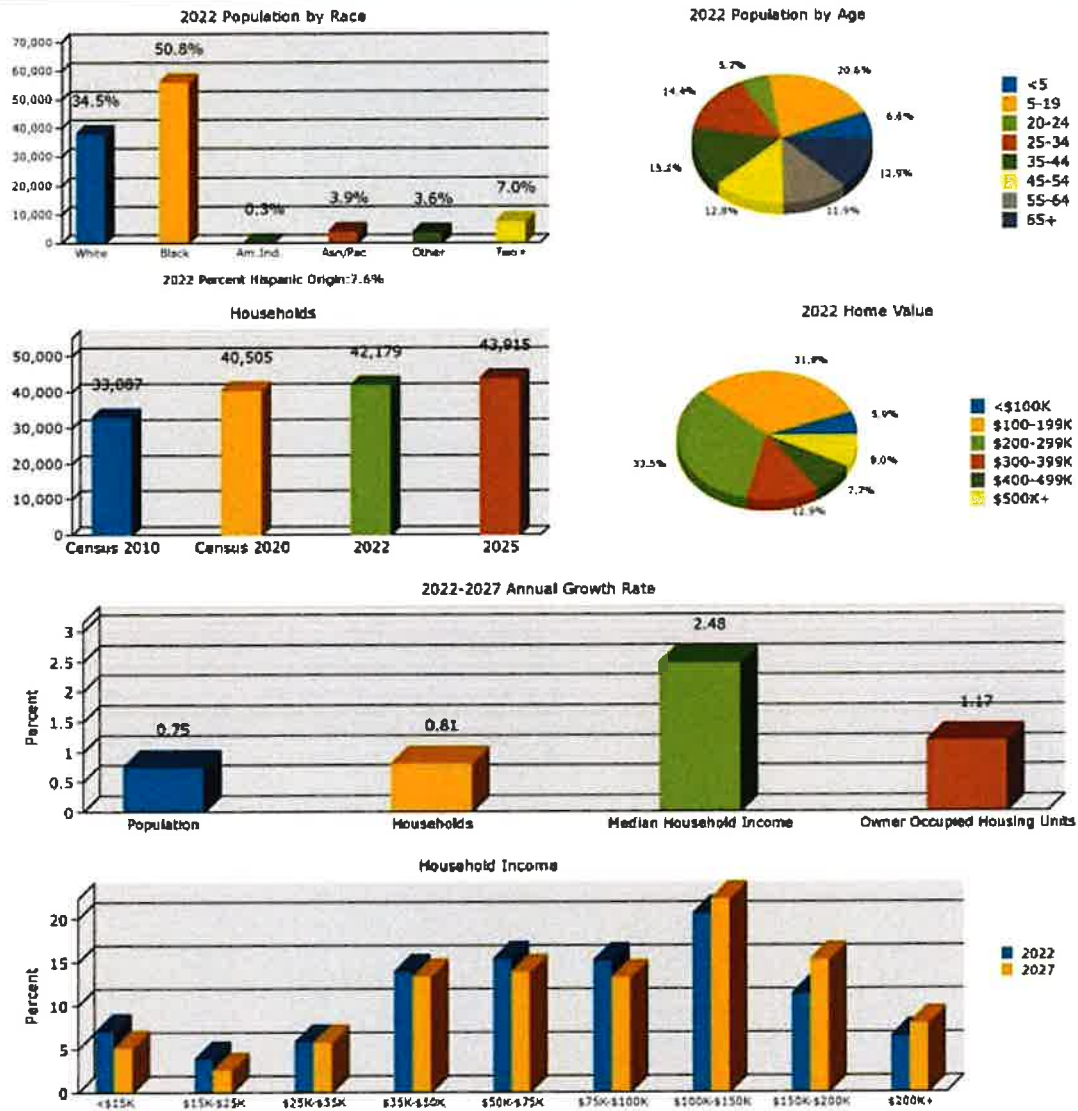
esri

Graphic Profile

900 Clemson Rd, Columbia, South Carolina, 29229
Ring: 5 mile radius

Prepared by Esri

Latitude: 34.12634
Longitude: -80.96674



Sources: Esri forecasts for 2022 and 2027, U.S. Census Bureau 2010 decennial Census data converted by Esri into 2020 geography.

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Description of Site

Location/Description

The subject property is an interior tract located along the northeast side Clemson Road, Columbia, Richland County, South Carolina.

Size and Shape

The subject property, comprised of one (1) parcel, contains a total of 569.800 acres of land and is irregular in shape. A copy of the Aerial GIS map of the property is shown below to provide a better understanding of the size and shape of the subject property and the location of existing overhead electrical and gas line easements, crossing the subject site northeast to southwest.



Source: Richland County GIS (for demonstration purposes only, not to scale)

Road Frontage/Access

The property has approximately 4,033 linear feet of road frontage along Clemson Road; approximately 2,140 linear feet along Rame Road; and approximately 6,173 linear feet along Westridge Road. Access to the property is by way of Clemson Road; Rame Road; and Westridge Road. The property also has exposure to Two Notch Road. Access from Two Notch Road is via a single drive with a perpendicular railroad right of way crossing.

Topography, Drainage and Soils

The topography of the site is gently rolling and at grade with Clemson Road. The drainage appears to be adequate. The soils on the site are suitable for development as indicated by the improvements constructed on the adjoining and nearby sites.

Easements/Encroachments

Typical utility easements were located on the property as noted from inspection. The site is encumbered with a number existing overhead and underground utility easements that are considered typical of a site this size. These easements do not have a negative impact on the use or desirability of the property.

Zoning

The subject property is zoned OI, Office and Institutional District, by the County of Richland. This district is intended "to accommodate office, institutional, and certain types of residential uses in an area whose characteristics are neither general commercial nor exclusively residential in nature. Certain related structures and uses required to serve the needs of the area are permitted outright or are permitted as special exceptions subject to restrictions and requirements intended to best fulfill the intent of this chapter." The setbacks standards and building height standards within this district are as follows:

Minimum Yard Requirements & Building Height (feet)			
Front	Rear	Side	Building Height
25 ft.	20 ft.	7 ft.	35 ft.

It should be noted that at any time this property is developed with a more intense use a zoning change is highly probable and should be reasonable expected. Market information indicates the most probable zoning change would be some type planned development after County approval of a development plan.

Deed Restrictions

No recorded deed restrictions on the use of the property were located.

Tax Assessment Data

The tax data for the subject property was obtained from the tax records of Richland County with the property identified as Tax Map Number R23000-02-02. The 2021 fair market value of the property based on 563.44 acres is \$25,354,800. The 2021 taxes are exempt. The chart below shows the size (acres) per county assessor, market value and taxes for the property. The millage rate and taxes for 2022 have not yet been assessed.

2021 Tax Summary									
TaxMap ID	Location	Based on Acreage	Assessor's Market Value					2021 Taxes	Paid
			Land	Building	Agricultural	Other	Total		
R23000-02-02	900 Clemson Road	563.44	\$25,354,800	\$0	\$0	\$0	\$25,354,800	Exempt	N/A

Source: Richland County Assessor / Richland County Treasurer

The current tax law for the assessment of real estate has a provision that permits the tax assessor to adjust the market value for tax purposes to the assessable transfer of interest value (contract sales

price). For counties with assessed values considerably less than actual market values, this will result in higher real estate taxes. The subject property, as a whole, has a current market value of \$25,354,800 (aggregate). State property tax legislation (Act 388) passed in 2007 allows for reassessment increase to be capped at 15% over a five-year period. Additionally, when a property is sold in a transaction that is considered an assessable transfer of interest (ATI), the property is subject to an immediate reassessment to the amount of the sales price. Legislation approved in 2011 is applicable to all primary residential properties which are assessed at a six percent (6%) rate and include commercial properties, investment properties and second homes but excludes manufacturing properties assessed at 10.5%. Properties will receive a 25% exemption from the sales value for taxation purposes. The exemption cannot decrease a property's assessed tax value beyond what is already established on the county tax rolls. All properties will continue to be subject to each county's reassessment program and will be subject to the 1% cap on tax increases for each five-year reassessment period.

Flood Insurance Rate Map (FIRM)

According to a review of the Richland County FIRM Map 45079C0163L, dated December 21, 2017, the property is located within Zones X and AE. The majority of the property is not within the flood hazard area; however, a portion located in the mid-section of the property is within the food hazard area. These flood hazard areas are located in two of the subject's ponds and overflow creek (Sandy Branch) in the low-lying area of the subject below the largest pond. A copy of the GIS Flood Map of the property is shown below to provide a better understanding of the area located within the flood hazard area.



Potential Environmental Hazards

An environmental site assessment has not been performed on the subject property. However, a CXS Transportation Railroad right of way is located along the subject's southern boundary. Use of this railroad right of way includes, but is not limited to, salvaged cars, construction debris, various types of fuel oils, and other hazardous chemicals. I am not an expert in environmental conditions; however, I recommend that any potential purchaser of the site have an environmental site assessment performed. If an environmental site assessment is performed and negative environmental conditions are present, a re-appraisal may be required.

Wetlands

A wetlands delineation has not been provided. The existing survey makes no reference to wetlands. I have assumed the property has no significant jurisdictional wetlands which would have a negative impact on the site. However, wetlands can be reasonably expected on this site in the area of Sandy Branch below the largest pond.

Utilities







Utilities available to the site include water and sewer provided by the City of Columbia, natural gas, if available, and electricity provided by Dominion Energy; telephone service provided by AT&T as well as independent providers, and cable service provided by Spectrum. All utilities are available in adequate supply at reasonable rates.




Description of Improvements

The subject property is improved with various farm and equipment buildings. It is my opinion that the acquisition will not have an impact on the improvements located on the property. Therefore, a detailed analysis of these improvements has not been prepared.

Subject Photographs and Exhibits

Date of Photos: August 5, 2022

	
<p>LAKE HOUSE BUILDING</p>	<p>EXISTING OVERHEAD ELECTRICAL EASEMENT AND GAS EASEMENT</p>
	
<p>NEW 50 X 50 CAROLINA GAS EASEMENT</p>	<p>EXISTING OVERHEAD ELECTRICAL EASEMENT</p>
	
<p>EXISTING OVERHEAD ELECTRICAL EASEMENT AND NEW 50 X 50 CAROLINA GAS EASEMENT</p>	<p>EXISTING OVERHEAD ELECTRICAL EASEMENT AND GAS EASEMENT</p>

	
<p>ENTRANCE GATE</p>	<p>INTERIOR OF SUBJECT SITE (MEDIUM POND)</p>
	
<p>INTERIOR SUBJECT SITE (LARGE POND)</p>	

SUBJECT PLAT

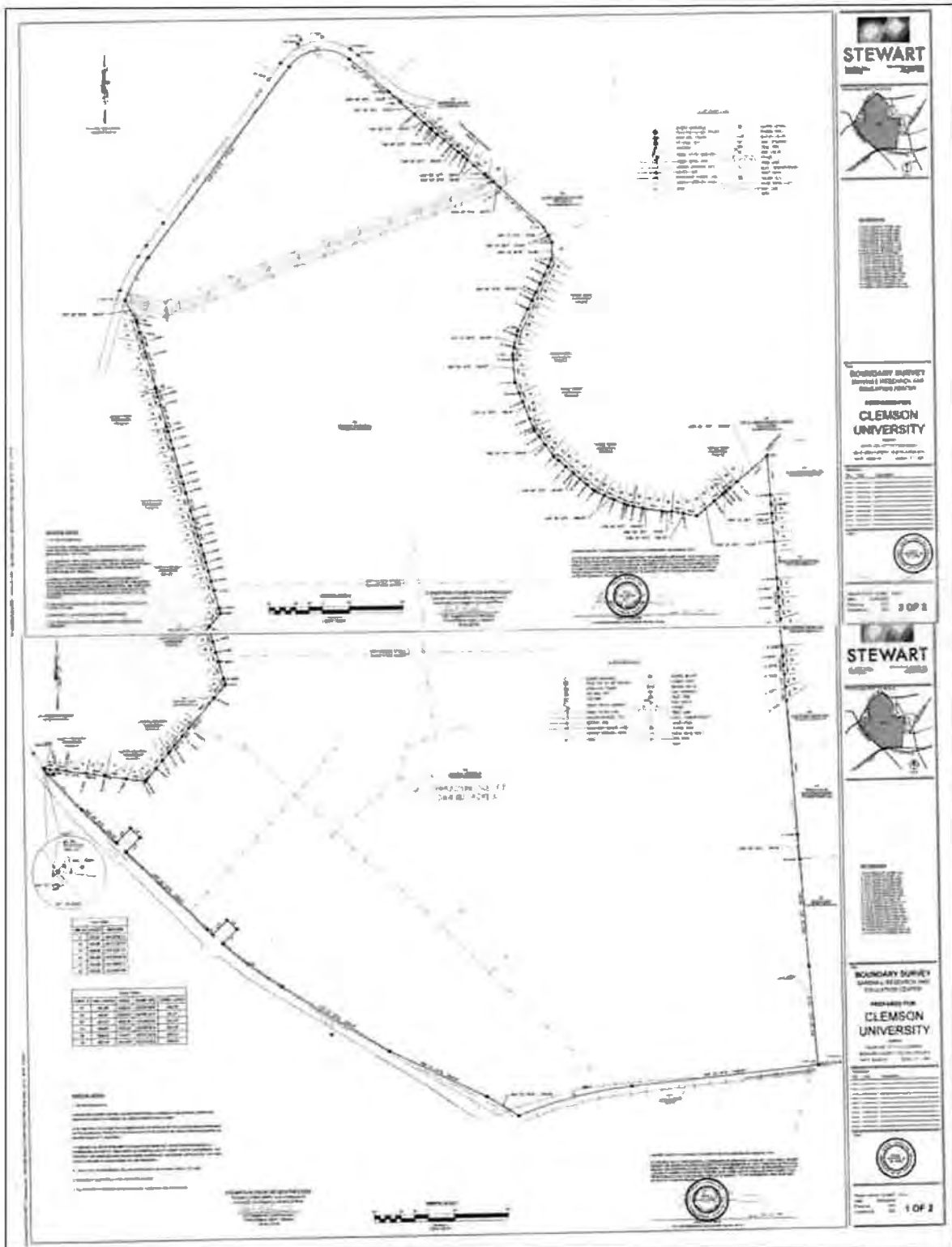


EXHIBIT A – EASEMENT DRAWING

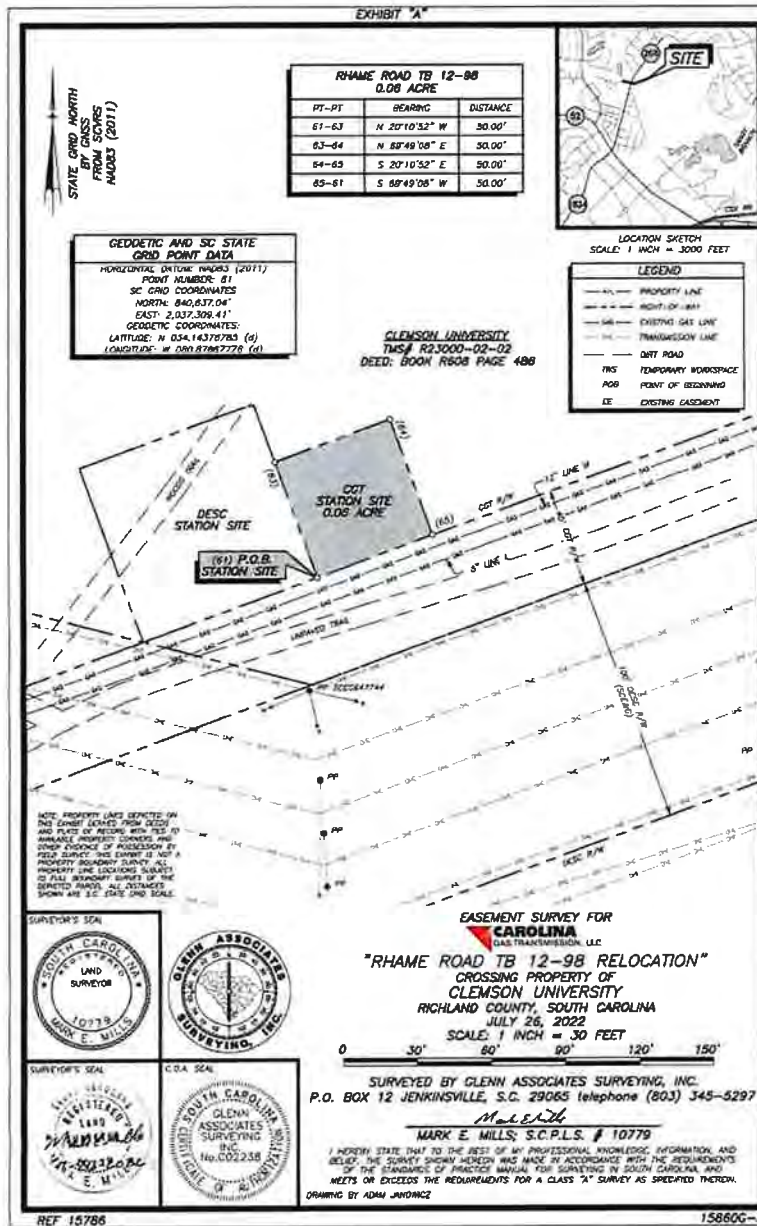
STATE OF SOUTH CAROLINA
COUNTY OF RICHLANDNEA 22-008
TMS No. 23000-02-02

EXHIBIT A – EASEMENT DRAWING (ZOOMED)

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

NEA 12-008
TMS No. 23000-02-02

EXHIBIT A (Zoomed for Clarity)

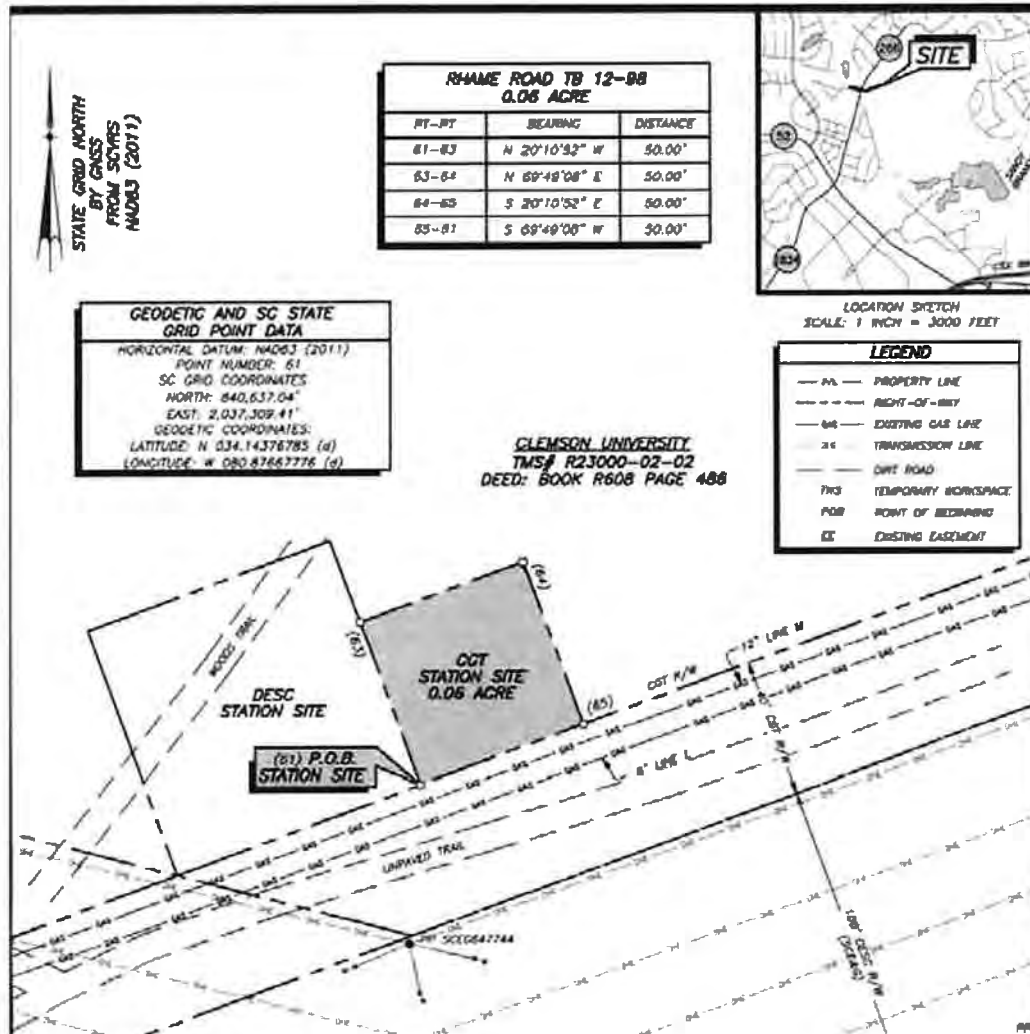


EXHIBIT B – EASEMENT DRAWING

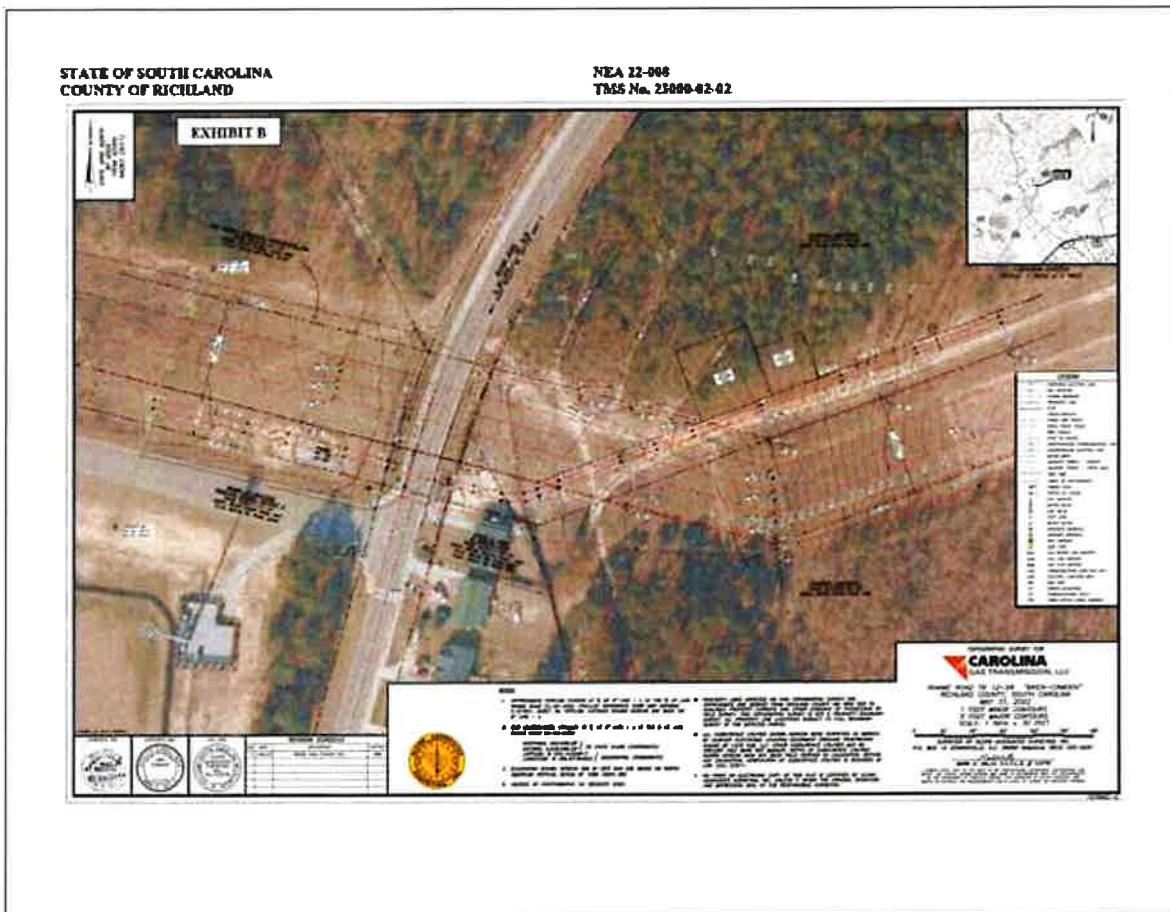


EXHIBIT B – EASEMENT DRAWING (ZOOMED)

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

MEA 22-008
TMS No. 23900-02-02

EXHIBIT B (Zoomed for Clarity)



EASEMENT DOCUMENT

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

NEA 22-008
TMS No. 23000-02-02

RIGHT OF WAY GRANT

FOR, AND IN CONSIDERATION of, the sum of One Dollar (\$1.00) to me (us) in hand paid by Carolina Gas Transmission, LLC (a Limited Liability Company), the receipt of which is hereby acknowledged, at and before signing and sealing of these presents, and the additional consideration hereinafter set forth, to be paid before the first pipe is laid to **Clemson University**, hereinafter called "Grantor" (whether one or more), Grantor does hereby grant, bargain, sell and convey to **Carolina Gas Transmission, LLC**, its successors and assigns forever, hereinafter referred to as "Grantee", a right of way and easement 50' x 50' (0.06± acres) adjoining the Northern border of the existing 40' CGT pipeline Right of Way as shown on EXHIBIT A as Grantee has selected, to lay, construct, excavate for, maintain, inspect, operate, protect, repair, renew, remove, or replace a pipeline or lines of similar or different size and appurtenances (including but not limited to metering facilities, regulating facilities, valve facilities, fences, gates, concrete pads, cathodic protection, etc.), and communication facilities (including but not limited to cables, optical fiber telemetry facilities, etc.) for the transportation of gas, oil, petroleum products, water, or any other liquid, gases or other substances which can be transported through a pipeline, over, under, upon, through and across the following described lands owned by Grantor and situated in the County of Richland and State aforesaid: A tract of land containing 563 acres, more or less, and being the same land conveyed to Grantor by deed dated December 28, 2001 and recorded in the Register of Deeds Office for Lexington County in Deed Book R0608 at Page 486

Said property is located on the East side of Rhame Rd. near N. Crossing Dr., Columbia, SC.

Right of way is as shown on survey entitled "**Rhame Rd TB 12-98 Relocation**" (Plat #15680C-3) and on survey entitled "**Rhame Rd TB 12-98 'Aiken to Camden'**" (Plat #15786G-2) prepared by Glenn Associates Surveying, Inc. for Carolina Gas Transmission, LLC dated July 26, 2022 and May 31, 2022 (revised 7-26-22) respectively. Copies of said surveys are shown on EXHIBIT A and EXHIBIT B, as attached.

TOGETHER also with continuous rights of ingress and egress for any and all aforesaid purposes and the right from time to time to redesign, rebuild or alter said lines, facilities and other appurtenances and to install such additional lines (including but not limited to gas lines, communications lines, and overhead and underground electric lines), facilities and other apparatus, equipment and appurtenances as Grantee may at any time deem necessary or useful, and the right to remove any of the same or any part thereof, and to do whatever may be requisite or useful for the enjoyment of the rights herein granted.

GRANTEE may install posts or markers where practicable indicating the course of any pipeline

GRANTEE will lay its pipeline or lines and communication lines at a sufficient depth under the surface of the ground, insofar as is practicable, so as not to interfere with the ordinary cultivation of the premises

TOGETHER also with the right from time to time to remove or clear and keep clear such trees, underbrush, structures and other obstructions, upon said right of way and such trees that may interfere with or endanger said lines or appurtenances when erected, and the right of entry upon Grantor's (s') said lands for all the purposes aforesaid.

PROVIDED, however, any damage to the property of Grantor(s) (other than to property cleared or removed as hereinbefore provided) caused by Grantee in the course of constructing, rebuilding or repairing said lines, facilities and other appurtenances shall be borne by Grantee

THE rights herein granted may be assigned in whole or in part.

RESERVING however, to Grantor the right to cultivate and use the ground within the limits of said right of way, except not within the fenced area of any metering, regulating and/or valve facility, and provided that such use shall not interfere with or obstruct the rights herein granted, and provided further, that Grantor shall not plant trees, build, create, or construct, nor permit others to plant trees, build create or construct, any new road (excepting cross roads) or any building or other structure or obstruction within the width of said right-of-way Grantor and its assigns shall be permitted to continue using existing access roads that lie within the easement area. However, Grantor shall not improve, repair, re-route, or expand the access road without prior notification to, and approval of Grantee, such approval not be unreasonably withheld. Such changes to the road may not interfere with the operation or safety of Grantee's facilities.

AND, it is a condition of this grant that the Grantee shall tender, and Grantor(s) shall accept, Grantee's check in the sum of _____ Dollars (\$_____.00) for this Right of Way Grant.

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

NEA 22-008
TMS No. 23000-02-02

GRANTOR covenants that Grantor has the right to convey the said easement; that Grantee shall have quiet and peaceable possession, use and enjoyment of the aforesaid easement or right of way, rights and privileges, and that Grantor will execute such further assurances thereof as may be requisite.

TO HAVE and to hold said easement, rights and rights of way, estates and privileges, unto Grantee, its successors and assigns forever unless the facilities constructed within this easement are subsequently abandoned by Grantee in accordance with the interstate natural gas pipeline guidelines for abandonment of the Federal Energy Regulatory Commission, under which Grantee is regulated. Any such abandonment shall be at Grantee's sole discretion. Once all regulatory and other requirements for abandonment are met, Grantee will work with Grantor to record a release of all of its rights, title, and interest in and to the easement.

ALL rights and privileges, obligations and liabilities created by this instrument shall inure to the benefit, and be binding upon, the heirs, devisees, administrators, executors, successors and assigns of the parties hereto.

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

IN WITNESS WHEREOF, the Grantor(s) has/have hereunto set their hand and seal on this ____ day of _____, 2022.

IT IS AGREED that this grant covers all the agreements between the parties and no representations or statements, verbal or written, have been made, modifying, adding to, or changing the terms of the agreement.

SIGNED, SEALED AND DELIVERED IN
THE PRESENCE OF:

[GRANTOR]

Witness

By:

Witness

(Business)

STATE OF SOUTH CAROLINA)

ACKNOWLEDGMENT

COUNTY OF _____)

I, _____, Notary Public for the State of South Carolina, do hereby certify that the above-named Grantor, _____, by _____, its _____, personally appeared before me this day and acknowledged the execution of the foregoing instrument on behalf of said company.

Witness my hand and official seal this the ____ day of _____, 20____

Notary Public for South Carolina
My Commission Expires: _____

Highest and Best Use

Introduction

The highest and best use is defined in The Dictionary of Real Estate Appraisal, sixth edition, published by the Appraisal Institute as “the reasonably probable use property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

As outlined, the subject property is improved with various farm and equipment buildings. It is our opinion that the acquisition will not have an impact on the improvements located on the property. Therefore, a detailed analysis of these improvements has not been prepared.

Legal Permissibility

The subject property is zoned OI, Office and Institutional District, by the County of Richland. This district is intended “to accommodate office, institutional, and certain types of residential uses in an area whose characteristics are neither general commercial nor exclusively residential in nature. Certain related structures and uses required to serve the needs of the area are permitted outright or are permitted as special exceptions subject to restrictions and requirements intended to best fulfill the intent of this chapter. There are no other legal restrictions that should limit the use of the property.

It should be noted that at any time this property is developed with a more intense use a zoning change is highly probable and should be reasonably expected. Market information indicates the most probable zoning change would be some type planned development after County approval of a development plan.

Physical Possibility

The subject site contains 569.800 acres of land and is located along the northeast side Clemson Road. The property has access and road frontage along Clemson Road, Rhame Road and Westridge Road. The topography of the land is gently rolling and at grade with Clemson Road. Soil and site conditions appear suitable for development as evidenced by the improvements that have been built on property adjacent to the subject property. Existing overhead and underground utility easements, cross the subject site. The size of the existing easements has not been provided and are not allocated in this report. These easements affect the highest and best use within the easement areas only. The site is physically suited to some type of mixed-use development.

Financial Feasibility

The legally allowable uses and the physical characteristics are important determinants of the most financially feasible use of vacant land. The most important determinant, if the property can be developed, is market demand for vacant, usable land. The majority of the tracts in the area are used for some type of residential development. Based upon the legal and physically possible uses and the current uses in the neighborhood, it is apparent that the financially feasible use of the site is for some type of mixed-use development. Market information indicates the site would most likely be used for mixed-use development taking place in multiple phases. Due to COVID-19 is not yet clear to what extent, if any, market conditions are affected.

Maximum Profitability

The subject property is located within the Columbia market area. Based upon the legally permissible uses allowed, the physical characteristics of the site, and the most financially feasible use of

the site, it is my opinion that the maximum profitability of the subject site as vacant and available for development is for mixed-use development. The most probable purchaser of the property as vacant is an owner/user for mixed-use development taking place in multiple phases.

Exposure Time/Marketing Period

The estimated exposure time and marketing period for the subject property, at the estimated market value shown in this report, is 12 to 18 months. Should economic conditions change, these times could be extended or shortened.

Land Value Estimate – Before Acquisition

The market value of the vacant land will be determined using the sales comparison approach to value. This is an appraisal procedure in which the market value estimate for the subject property is predicated upon prices in actual real estate transactions and considering current offerings, if any, with the former fixing the lower limit of value in a static or advancing market (pricewise) and fixing the higher limit of value in a declining market; and the latter fixing the higher limit of value in any market. It is a process of analyzing the sales of similar properties recently sold in order to derive an indication of the most probable sales price of the property being appraised. The reliability of this technique is dependent upon the availability of comparable sales data, the verification of the sales data, the degree of comparability or extent of adjustment necessary for factors such as time of sale, size, physical characteristics and motivation of the purchaser, and the presence or absence of any non-typical conditions affecting the sales price.

This approach is based upon the principles of supply and demand, substitution, balance and external conditions. The application of these principles in this approach to value will lead to a reasonable and supported conclusion for the value of the property being appraised.

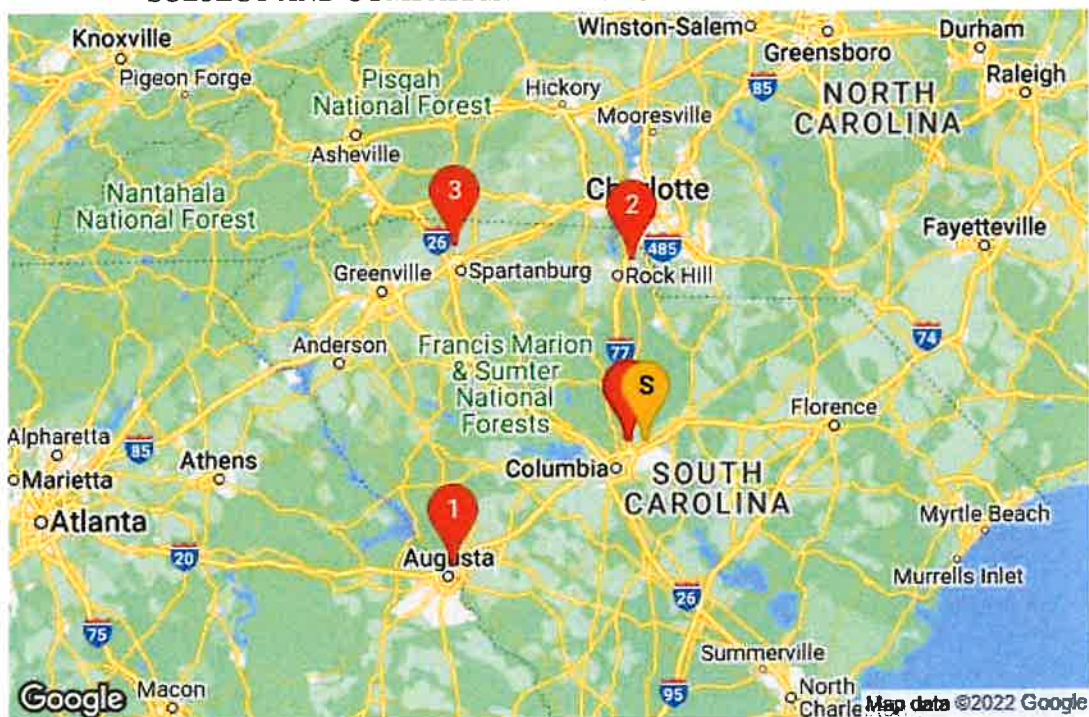
A search of the neighborhood was made in order to determine what sales of similar sites had occurred in the recent past to compare to the subject property. After a search of the market, the three (3) most comparable land sales and one (1) pending sale have been included in the report.

The unit of comparison used in this approach is the price per acre. This is the accepted unit of comparison/measure in the market for properties similar to the subject.

COMPARABLE LAND SALES SUMMARY TABLE

Comp	Address City	Date Price	County Price Per Acre	Tax ID Acres
Subject	900 Clemson Road Columbia	11/15/2001 --	Richland --	R23000-02-02 569.800
1	1128 W. Martintown Road North Augusta	12/1/2021 \$5,500,000	Aiken \$31,541	001-20-01-004, 005-14-04-010 174.375
2	1287 Brickyard Road Fort Mill	4/22/2019 \$42,000,000	York \$66,178	020-20-01-047; 048; 049; 050; and 020-01-22-012 634.648
3	Bible Church Road Boiling Springs	12/7/2017 \$2,750,000	Spartanburg \$37,558	2-36-00-119.00; 120.00; 121.00; and 2-37-00-001.00 73.220
4	310 Killian Road Columbia	1/31/2022 \$7,847,300	Richland \$48,497	R14600-03-16 161.810

SUBJECT AND COMPARABLE LAND SALES LOCATION MAP



PLEASE NOTE THAT COMPARABLE 4 AND THE SUBJECT ARE IN CLOSE PROXIMITY

Land Comparable 1



Transaction			
ID	2500	Date	12/1/2021
Address	1128 W. Martintown Road	Price	\$5,500,000
City	North Augusta	Price Per Acre	\$31,541
State	SC	Financing	Cash to Seller
Tax ID	001-20-01-004, 005-14-04-010	Property Rights	Fee Simple
Grantor	Hanrick Associates, LLC	Days on Market	Unknown
Grantee	Stanley Martin Homes, LLC	Verification	Public Records, Alt. RE Data Source: CoStar; Knowledgeable 3rd Party
Legal Description	DB 4981 @ 2190; PB 55 @ 592	County	Aiken
Site			
Acres	174.375	Topography	Rolling
Land SF	7,595,775	Zoning	PD
Road Frontage	W. Martintown Road	Flood Zone	X
Shape	Irregular	Encumbrance or Easement	Overhead Electrical
Utilities	All Available	Environmental Issues	Unknown

Comments

This sale was for two combined parcels located along the east side of W. Martintown Road in the City of North Augusta. The site has exposure to I-20. This property is bisected by an overhead electrical easement. This property was purchased for a single family housing development.

Land Comparable 2



Transaction			
ID	2499	Date	4/22/2019
Address	1287 Brickyard Road	Price	\$42,000,000
City	Fort Mill	Price Per Acre	\$66,178
State	SC	Financing	Cash to Seller
Tax ID	020-20-01-047; 048; 049; 050; and 020-01-22-012	Property Rights	Fee Simple
Grantor	Kanawha Farms, LLC	Days on Market	Unknown
Grantee	Lennar Carolinas, LLC	Verification	Public Records, Alt. RE Data Source: CoStar; Grantee Representative
Legal Description	DB 17506 @ 343; PB 161 @ 1-3	County	York
Site			
Acres	634.648	Topography	Rolling
Land SF	27,645,267	Zoning	MXU
Road Frontage	Brickyard Road, Fort Mill Parkway, Spratt Street	Flood Zone	X and AE
Shape	Irregular	Encumbrance or Easement	Overhead Electrical, Underground Gas
Utilities	All Available	Environmental Issues	Unknown
Comments			

This sale was for five combined parcels located along both sides of Brickyard Road and both sides of Fort Mill Parkway and the east side of Spratt Street. It is also bounded on the southwestern most boundary by the Catawba River, with the river frontage being located within a flood hazard area however. The property is encumbered with multiple easements for underground gas lines and overhead electrical lines. Confirmation indicated this property was purchased for the development of a mixed use projected made up of approximately 1,200 to 1,300 homes of multiple types and in multiple phases. This development will also include 40 to 50 acres of commercial development including, but not limited to, a grocery store, daycare facility and medical facility.

Land Comparable 3



Transaction

ID	2498	Date	12/7/2017
Address	Bible Church Road	Price	\$2,750,000
City	Boiling Springs	Price Per Acre	\$37,558
State	SC	Financing	Cash to Seller
Tax ID	2-36-00-119.00; 120.00; 121.00; and 2-37-00-001.00	Property Rights	Fee Simple
Grantor	Gary Thomas Cantrell and Noma Cantrell England, as Trustees of the Family Trust A under Will of Calvin Coolidge Cantrell and Eleanor M. Cantrell	Days on Market	Unknown
Grantee	East Coast Holdings, LLC	Verification	Public Records, Alt. RE Data Source: Appraiser Files
Legal Description	DB 117-Y @ 153; PB 41 @ 229	County	Spartanburg

Site

Acres	73.220	Topography	Mostly Level
Land SF	3,189,463	Zoning	None
Road Frontage	Bible Church Road and Highway 9	Flood Zone	X
Shape	Irregular	Encumbrance or Easement	No Adverse
Utilities	All Available	Environmental Issues	Unknown

Comments

This sale was for three combined parcels at the southeast corner of Bible Church Road and Highway 9 and one along the north side of Bible Church Road. Spartanburg County does not use a traditional zoning system however the properties located at the southeast corner of Bible Church and Highway 9 were designated as Non Qualified Commercial use and Regular Vacant Farm Land use, and the parcel on the north side of Bible Church Road was designated as Regular Improved Farm use. This property was purchased for a mixed use residential and commercial development.

Land Comparable 4

**Transaction**

ID	2501	Date	1/31/2022
Address	310 Killian Road	Price	\$7,847,300
City	Columbia	Price Per Acre	\$48,497
State	SC	Financing	Cash to Seller
Tax ID	R14600-03-16	Property Rights	Fee Simple
Grantor	Phoenix Partners	Days on Market	Unknown
Grantee	TBD - Listing	Verification	Public Records, Alt. RE Data Source: CoStar; Broker
Legal Description	N/A Listing	County	Richland

Site

Acres	161.810	Topography	Mostly Level
Land SF	7,048,444	Zoning	M-1
Road Frontage	None	Flood Zone	X and AE
Shape	Irregular	Encumbrance or Easement	Perpetual Access Easement
Utilities	All Available	Environmental Issues	Unknown

Comments

The site is located off the south side of Killian Road. It has no frontage or exposure but has access to Killian Road from a perpetual easement on Hallie Bug Road, a privately maintained road. The lowest elevation of this site is at its southern most property boundary is in a flood hazard area. This property is currently under contract of sale and the broker was unable to disclose the plans for this site outside of it not having a residential component.

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
Address	900 Clemson Road	1128 W. Martintown Road	1287 Brickyard Road	Bible Church Road	310 Kilian Road
City	Columbia	North Augusta	Fort Mill	Boiling Springs	Columbia
State	South Carolina	SC	SC	SC	SC
Date	8/5/2022	12/1/2021	4/22/2019	12/7/2017	1/31/2022
Price	—	\$5,500,000	\$42,000,000	\$2,750,000	\$7,847,300
Acres	569.800	174.375	634.648	73.220	161.810
Acre Unit Price	\$0	\$31,541	\$66,178	\$37,558	\$48,497
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Conditions of Sale	Arms Length	Arms Length	Arms Length	Arms Length	Listing
		0.0%	0.0%	0.0%	-10.0%
Adjusted Acre Unit Price		\$31,541	\$66,178	\$37,558	\$43,647
Market Trends Through	8/5/2022	0.0%	0.0%	0.0%	0.0%
Adjusted Acre Unit Price		\$31,541	\$66,178	\$37,558	\$43,647
Location	Good	Average	Very Good	Average	Good
Adjustment		10%	-25%	10%	0%
\$ Adjustment		\$3,154	-\$16,545	\$3,756	\$0
Acres	569.800	174.375	634.648	73.220	161.810
Adjustment		0%	0%	-5%	0%
\$ Adjustment		\$0	\$0	-\$1,878	\$0
Topography	Gently Rolling	Rolling	Rolling	Mostly Level	Mostly Level
Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Shape	Irregular	Irregular	Irregular	Irregular	Irregular
Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Utilities	All Available	All Available	All Available	All Available	All Available
Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Zoning	OI	PD	MXU	None	M-1
Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Encumbrance or Easement	Overhead and Underground	Overhead Electrical	Overhead Electrical, Underground Gas	No Adverse	Perpetual Access Easement
Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
River Frontage	None	None	Catawba River	None	None
% Adjustment		0%	-15%	0%	0%
\$ Adjustment		\$0	-\$9,927	\$0	\$0
Adjusted Acre Unit Price		\$34,695	\$39,707	\$39,436	\$43,647
Net Adjustments		10.0%	-40.0%	5.0%	-10.0%
Gross Adjustments		10.0%	40.0%	15.0%	10.0%

Explanation of Adjustments

The first comparison made between the Subject and Sales in any appraisal is for:

- 1) Property rights appraised
- 2) Financing concessions
- 3) Condition of sale
- 4) Expenditures immediately after sale
- 5) Market conditions (time)

All of the sales were of the full fee interest and no unusual or atypical financing arrangements were noted. The conditions of the sales were typical for the market. There were no expenditures immediately after sale that had an impact on the price paid. No market conditions adjustment is indicated for the sales. A negative 10% conditions of sale adjustment is made to Comparable 4 for the list to sale price adjustment during sale negotiations. Due to COVID-19 we are still monitoring market conditions although development sales have shown a steady trend over the past three years.

Differences in physical characteristics include location, size (acres), topography, shape, utilities, zoning, encumbrance/easements and river frontage. The sales analyzed for this report are considered very similar to the subject with differences in the indicated price per acre being attributed to the individual selling or purchasing criteria of seller and purchaser. The location of Comparables 1 and 3 is considered inferior to that of the subject and each has been adjusted a positive 10% for inferior location. The location of Comparable 2 is considered superior to that of the subject and has been adjusted a negative 25% for superior location. The location of Comparable 4 is considered similar to that of the subject with no adjustments indicated. The size of Comparables 1, 2 and 4 is considered similar to that of the subject with no adjustments indicated. The size of Comparable 3 is considered superior to that of the subject and has been adjusted a negative 5% for smaller size. Comparables 1, 3 and 4, like the subject, have no river frontage with no adjustments indicated. Comparable 2 with river frontage along the Catawba River is considered superior to that of the subject and has been adjusted a negative 15% for river frontage.

The value of any pre-merchantable or merchantable timber located on the property is considered in the overall unit value (price per acre).

Final Market Value Estimate – Land Value

The comparables range in adjusted price per acre from \$34,695 to \$43,647 with an average price per acre of \$39,371 and a median price per acre of \$39,571. With consideration given to all sales, it is my opinion that the market value of the subject property, as if vacant and available for use at its highest and best use, is \$40,000 per net acre. The following calculation shows the estimated value of the subject site:

Size - Acres		Value Per Acre	Value:
569.800	(Unencumbered)	\$40,000	\$22,792,000
0.000	(Existing Easements not calculated)	\$0	\$0
<u>0.000</u>	Temporary Const. License 0 acres	\$0	<u>\$0</u>
	Unencumbered - 1 yr annual rent		
569.800			\$22,792,000
		Rounded	\$22,792,000

Land Value Estimate – After Acquisition

Description of the Acquisition

The acquisition is an easement for a 50 feet by 50 feet metering station adjoining the northern border of the existing 40 foot Carolina Gas Transmission pipeline right of way for the laying, construction, and maintenance as shown on survey entitled Rhame Road TB 12-98 Relocation and as shown on a survey entitled Rhame Road TB 12-98 Aiken to Camden as further shown on Exhibit A and Exhibit B, prepared by Glenn Associates Surveying, Inc. for Carolina Gas Transmission, LLC, dated July 26, 2022 and May 31, 2022 (revised July 26, 2022). The acquisition is for an easement containing a total of 0.06 acres of land. Copies of the easement document and easement drawings (Exhibits A (document) and Exhibit B (drawings)) are contained in the Subject Photographs and Exhibits section of this report and should be consulted for a complete understanding of the property rights to be acquired and the location of the easements.

Description of the Remainder

After the acquisition, the subject property will contain 569.740 acres of unencumbered land and 0.060 acres within the Carolina Gas Transmission easement, as shown on Exhibit A and Exhibit B. The zoning of the property will be the same as before the acquisition. The overall shape of the property will be unchanged. Based upon the easement document contained in the **Subject Photographs and Exhibits** section, the owner of the subject site has “the right to cultivate and use the ground within the limits of said right of way, and provided that such use shall not interfere with or obstruct the rights herein granted, and provided further that Grantor shall not plant trees, build, create, or construct, nor permit others to plant trees, build create or construct, any new road (excepting cross roads) or any building or other structure or obstruction within the width of said right-of-way Grantor and its assigns shall be permitted to continue using existing access roads that lie within the easement area. However, Grantor shall not improve, repair, re-route, or expand the access road without prior notification to, and approval of Grantee, such approval not be unreasonably withheld. Such changes to the road may not interfere with the operation or safety of Grantee’s facilities.” Use of the property for mixed-use development purposes will not be impacted by the easement in the areas that are unencumbered. Overall, the utility of the subject property will not be changed by the location of the easement.

Highest and Best Use - After Acquisition

The acquisition of the easement affects the highest and best use of the area within the new easement (0.060 acres). The 569.740 acres of unencumbered land will not be affected by the easement and the highest and best use of the overall property will remain for mixed-use development use. The existing easement areas were damaged prior to the acquisition that is described herein.

Land Value Estimate - After Acquisition

The highest and best use of the unencumbered area, containing 569.740 acres, will not change. The indicated value of the unencumbered area remains \$40,000 per acre. No damages outside of the encumbered areas are noted. Damages caused by the acquisition of the easement results in the highest and best use change within the easement area. This area has been damaged by 90% due to the loss in fee simple value in the areas within the new easement, as utility within the easement area is diminished with no vertical improvements or uses that would obstruct the use of the easement by the utility company area

permitted. The following calculation shows the estimated market value of the subject property after the acquisition:

Size - Acres		Value Per Acre	Value:
569.740	(Unencumbered)	\$40,000	\$22,789,600
0.000	(Existing Easements not calculated)	\$0	\$0
<u>0.060</u>	(Easement)	\$4,000	<u>\$240</u>
569.800			\$22,789,840
		Rounded	\$22,789,800

Reconciliation and Final Value Estimate

After applying the methods and techniques recommended by the Appraisal Institute, and after analyzing the data presented, it is my opinion that the market value of the fee simple interest of the property before the acquisition, the market value of the fee simple interest of the subject property after the acquisition, and the rights to be acquired by Carolina Gas Transmission and damages, if any, to the remainder as of August 5, 2022, is:

Market Value Before:	\$22,792,000
Market Value After:	<u>\$22,789,800</u>
Value of Acquisition:	\$2,200

My valuation of the subject property considered the best information that was available at the time of my analysis and users of this appraisal should consider the appraisal may be affected by the scope of work. Users are reminded that the appraisal conclusions in this report are effective as of the stated date(s) of valuation.

The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

Respectfully submitted,



George E. Knight, Jr., MAI
SC State Certified General
Real Estate Appraiser No. CG 1531

GEKjr/kdw

Addenda

Subject Deed

Instrument Number: 2001102155 Book/Page: R 608/486 Date Time: 12/28/2001 14:12:25:663

TMS#: portion of 23000-02-02

Grantee's Address:

Land Management - Clemson University
212 Barre Hall
Clemson, South Carolina 29634

STATE OF SOUTH CAROLINA)
)
 COUNTY OF RICHLAND)

QUIT-CLAIM DEED

KNOW ALL MEN BY THESE PRESENTS, that Joseph R. Clark, III, Serena R. Clark, and Nancy N. Clark (herein collectively "Grantors"), for and in consideration of Five and 00/100 (\$5.00) Dollars, to Grantors in hand paid by **Clemson University** (herein "Grantee"), the receipt of which is hereby acknowledged, have remised, released, and forever quit-claimed, and by these presents do remise, release and forever quit-claim unto the said:

CLEMSON UNIVERSITY

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying, and being near the City of Columbia, in Richland County, South Carolina containing 298.086 more or less, and being more fully shown and delineated on a plat prepared for Clemson University Land Management by B.P. Barber & Associates, Inc. dated August 13, 1999, and recorded in the Richland County ROD Office in Record Book 607, at Page 1978.

TOGETHER with all and singular, the rights, members, hereditaments and appurtenances to the said premises belonging or in anywise incident or appertaining.

TO HAVE AND TO HOLD all and singular the premises before mentioned unto the said Grantee forever - so that neither the said Grantors, nor their heirs, nor any other person, or persons, claiming under Grantors or them, shall at any time hereafter, by any way or means, have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part or parcel thereof, forever.

Book 00608-0486
 2001102155 12/28/2001 14:12:25:663
 Fee: \$10.00 County Tax: \$0.00 State Tax: \$0.00

Quitclaim Deed



2001102155 John G. Norris

Richland County ROD

Instrument Number: 2001102155 Book/Page: R 608/487 Date Time: 12/28/2001 14:12:25:663

WITNESS the hand and seal of the undersigned this 15th of November, 2001.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

John D. Moyne
John D. Moyne
John D. Moyne
John D. Moyne
John D. Moyne

Joseph R. Clark, III (SEAL)
Joseph R. Clark, III

Serena R. Clark (SEAL)
Serena R. Clark

Nancy R. Clark (SEAL)
Nancy R. Clark
Nancy C. Townsend

STATE OF SOUTH CAROLINA

PROBATE

COUNTY OF RICHLAND

PERSONALLY APPEARED before me the undersigned witness and made oath that s/he saw the within named **Grantor** Joseph R. Clark, III, sign, seal and as such Grantor's act and deed, deliver the within written Quit-Claim Deed for the uses and purposes therein described, and that s/he with the other witness whose name appears above witnessed the execution thereof.

SWORN to before me this 15th
day of November, 2001.

Angela L. Drape
Notary Public for S.C.
My Commission Expires: 2-2-11

[Signature]

Instrument Number: 2001102155 Book/Page: R 608/488 Date Time: 12/28/2001 14:12:25:663

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

PROBATE

PERSONALLY APPEARED before me the undersigned witness and made oath that s/he saw the within named **Grantor** Serena R. Clark, sign, seal and as such Grantor's act and deed, deliver the within written Quit-Claim Deed for the uses and purposes therein described, and that s/he with the other witness whose name appears above witnessed the execution thereof.

SWORN to before me this 15th
day of November, 2001.

Angela L. Dhaup
Notary Public for S.C.
My Commission Expires: 2-21-11

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

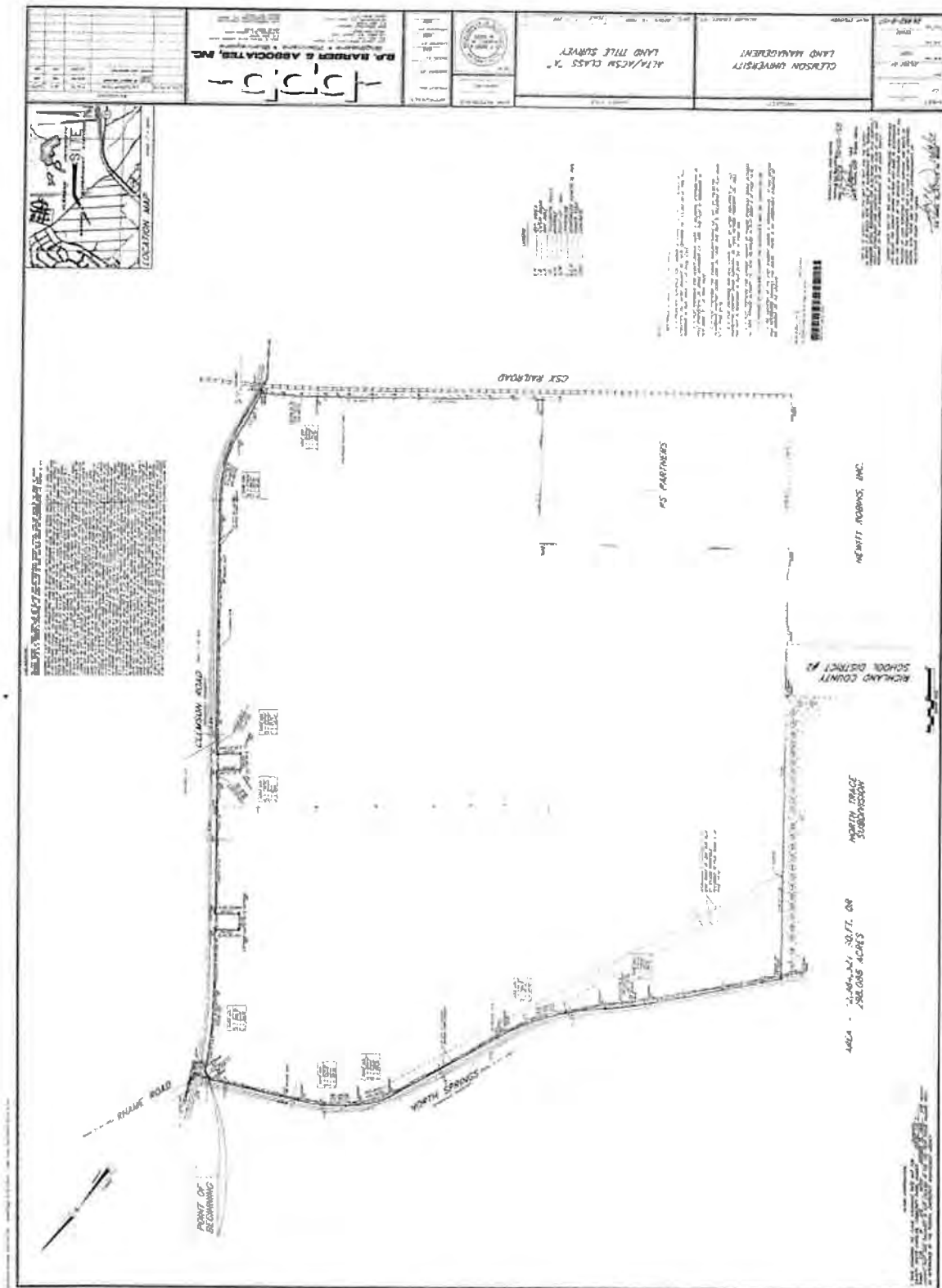
PROBATE

PERSONALLY APPEARED before me the undersigned witness and made oath that s/he saw the within named **Grantor** Nancy W. Clark, sign, seal and as such Grantor's act and deed, deliver the within written Quit-Claim Deed for the uses and purposes therein described, and that s/he with the other witness whose name appears above witnessed the execution thereof.

SWORN to before me this 15th
day of November, 2001.

Angela L. Dhaup
Notary Public for S.C.
My Commission Expires: 2-21-11

alsD63A:\8912\qcd.wpd111901



State Certification/License

BCD 1429617

State of South Carolina
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board
GEORGE E KNIGHT JR
Is hereby entitled in practice as a:
Certified General Appraiser
License Number: 1531

Expiration Date: 06/30/2024
OFFICE COPY


Administrator

Qualifications of George E. Knight, Jr., MAI

Professional Designation

Member, Appraisal Institute, (MAI) Certificate No. 12092

Education

Bachelor of Science Degree Business Administration, Real Estate and Finance,
University of South Carolina, May 1987

Appraisal EducationCore CoursesAppraisal Institute

Course 1A1, Real Estate Appraisal Principles, February 1991
Course SPP, Standards of Professional Practice, Parts A & B, September 1991
Course 1A2, Basic Valuation Procedures, May 1992
Course 1BA, Capitalization Theory and Techniques, Part A, May 1992
Course 1BB, Capitalization Theory and Techniques, Part B, November 1992
Course 320, General Applications, April 1994
Course 520, Highest & Best Use and Market Analysis, October 1998
Course 550, Advanced Applications, October 2000
Course 530, Advanced Sales Comparison and Cost Approaches, January 2002
Course 540, Report Writing and Valuation Analysis, June 2002
Course 810, Computer-Enhanced Cash Flow Modeling, November 2004
Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets, March 2012
Business Practices and Ethics, December 2018
Uniform Standards for Federal Land Acquisitions: Practical Applications, November 2017
Course 400, 7-Hour Update USPAP, February 2020

Current SeminarsAppraisal Institute

Complex Litigation Appraisal Case Studies, April 2013
Right of Way – Three Case Studies with Two Approaches to Value, October, 2014
Special Use Properties: Hospitality and Senior Housing, January 2015
The Discounted Cash Flow Model: Concepts, Issues and Applications, January 2015
The Lender, Client and Appraiser – You're on the same Team!, July 2015
Technology Tips for Real Estate Appraisers, October 2015
Case Studies – Complex Valuation, January 2016
Statutory Changes to Property Tax Law and Effect on Market Value, July 2016
Hot Topics and Myths in Appraiser Liability, January 2017
Forest Valuation for Non-Foresters II, April 2017
State of South Carolina – Economic Summit, April 2018
Compliance, Completeness and Competency, July, 2018
Global Valuation – Values and Techniques, October, 2018
State of South Carolina – Economic Summit, January, 2019

Valuation Expo

The Modern Appraisal, October 2019
The Role of the Appraiser, October 2019

CLE International

Eminent Domain, The Nuts and Bolts of Public Takings, February-March, 2005

South Carolina Department of Transportation

Right of Way Symposium, December 2016

Professional AssociationsAppraisal Institute

Leadership Development Advisory Council (LDAC), March 2004, March 2005, May 2006
Leadership Development Advisory Council (LDAC), May 2007 Discussion Leader, April 2008 Vice Chair; April 2009 Chair
Appraisal Institute Education Trust, Committee Member, 2009, 2010, 2011
Appraisal Institute Government Relations, Committee Member, 2010, 2011
Appraisal Institute Region IX Chapter Services Representative, 2011-2012

Appraisal Institute - SC Chapter

Chairman, Associates Guidance Committee (2004-2005)
Co-Chairman, Government Relations Committee (2005-2006)
Chairman, Government Relations Committee (2007, 2008, 2009, 2010)
Chapter Secretary (2007), Chapter Treasurer (2008), 2nd Vice President (2009), Vice President (2010), President (2011), Immediate Past President (2012)

International Right of Way Association – North and South Carolina Chapter 31

Valuation Committee Chairman (2006 to 2017)

Greater Columbia Association of RealtorsOther Associations

Leadership Columbia, Class of 2005
Leadership Columbia Committee (2006, 2007, 2008)
Leadership Columbia Alumni Association Board (2006, 2007, 2008, President – 2009)
Columbia Rotary Club, (2002 to 2010)
Share Our Suzy (SOS), Board of Directors (2006 to present)

S.C. Real Estate Appraisers Board

Internal Review Committee, 2006- 2011
Board Member, 2012-2013
Board Chair, 2014 - Present

Professional Experience

Real Estate Broker for Bob Capes Realtors, June 1987 - June 1988
Research Assistant & Associate Appraiser for Jeffery Wyman & Associates, Inc., February 1991 - June 1995
Appraiser and Partner – Real Estate Appraisers and Consultants, LLC (REAC) Real Estate Appraisal Firm, July 1995 to Present
Broker in Charge and Owner – The Knight Company, LLC, Real Estate Brokerage Firm, 1995 to Present
Qualified as an expert witness in Circuit Court for South Carolina and North Carolina, Superior Court for Georgia

Licenses

South Carolina State Licensed Real Estate Broker
South Carolina State Certified General Real Estate Appraiser, Certificate No. CG 1531

Duke Energy

Line Relocation

Prepared By: JDouglas

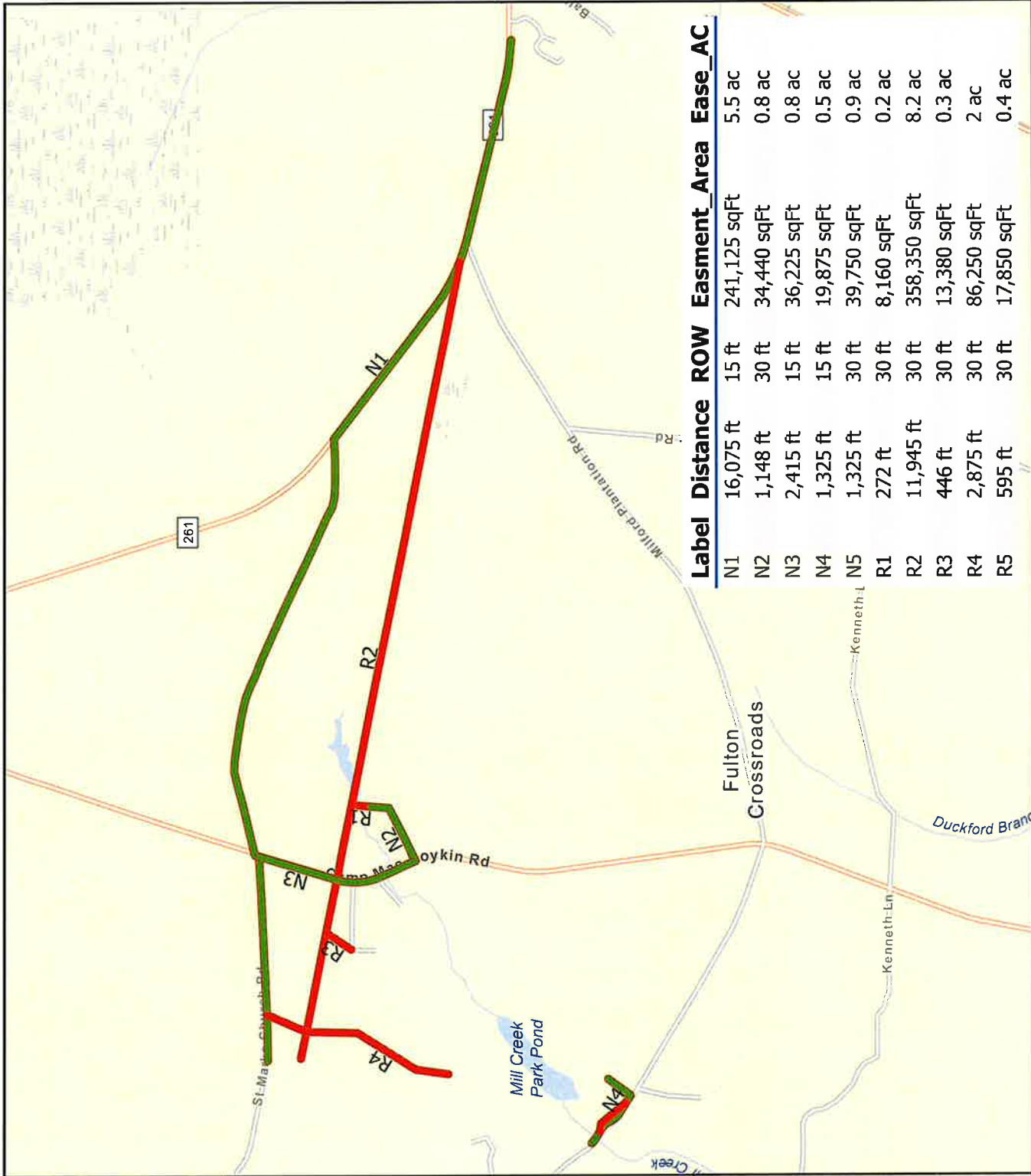
Date: 6/14/2022

Legend

New

Remove

Overview



Label Distance ROW Easment Area Ease_AC

N1	16,075 ft	15 ft	241,125 sqFt	5.5 ac
N2	1,148 ft	30 ft	34,440 sqFt	0.8 ac
N3	2,415 ft	15 ft	36,225 sqFt	0.8 ac
N4	1,325 ft	15 ft	19,875 sqFt	0.5 ac
N5	1,325 ft	30 ft	39,750 sqFt	0.9 ac
R1	272 ft	30 ft	8,160 sqFt	0.2 ac
R2	11,945 ft	30 ft	358,350 sqFt	8.2 ac
R3	446 ft	30 ft	13,380 sqFt	0.3 ac
R4	2,875 ft	30 ft	86,250 sqFt	2 ac
R5	595 ft	30 ft	17,850 sqFt	0.4 ac

South Carolina



Forestry Commission

DISCLAIMER: This is a product of the South Carolina Forestry Commission. Reasonable efforts have been made to ensure the accuracy of this map. The SCFC expressly disclaims responsibility for damages or liability that may arise from the use of this map.

1:29,980

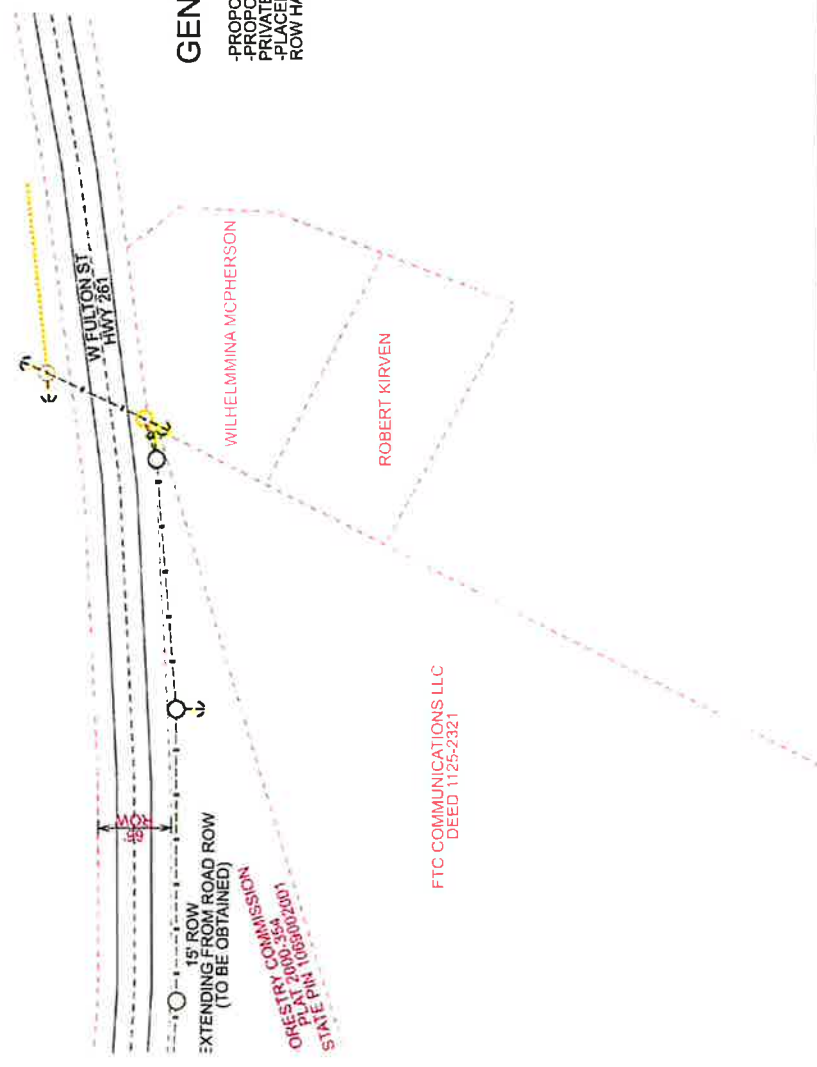
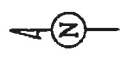
0 1,000 2,000 ft

N



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GOVERNMENT AGENCY FOR COMPLIANCE WITH
ANY APPLICABLE LAND DEVELOPMENT REGULATIONS
AND HAS NOT BEEN REVIEWED FOR COMPLIANCE
WITH RECORDING REQUIREMENTS FOR PLATS

UNITED STATES OF AMERICA
DEED 676-703
PLAT 84-6500
PIN 10200003014



GENERAL NOTES:

- PROPOSED SPANS ARE APPROXIMATELY 250'
- PROPOSED POLES ARE PLACED 1 FOOT ONTO PRIVATE RIGHT-OF-WAY
- PLACEMENT OF CABLE ALONG SUMTER COUNTY ROW HAS BEEN APPROVED

SYMBOL LEGEND	
EXISTING	PROPOSED
POLE	POLE
DOWN GUY	DOWN GUY
EXISTING OVERHEAD LINE	EXISTING OVERHEAD LINE
PROPOSED OVERHEAD LINE	PROPOSED OVERHEAD LINE
OVERHEAD LINE TO BE REMOVED	OVERHEAD LINE TO BE REMOVED

Sheet 1 of 12

Job Site Address
W. Fulton Street at Millford
Pineland Road

City
PINEWOOD

County
SUMTER

State Zip
SC, 29125

Drawn By
Darren Ballesteros

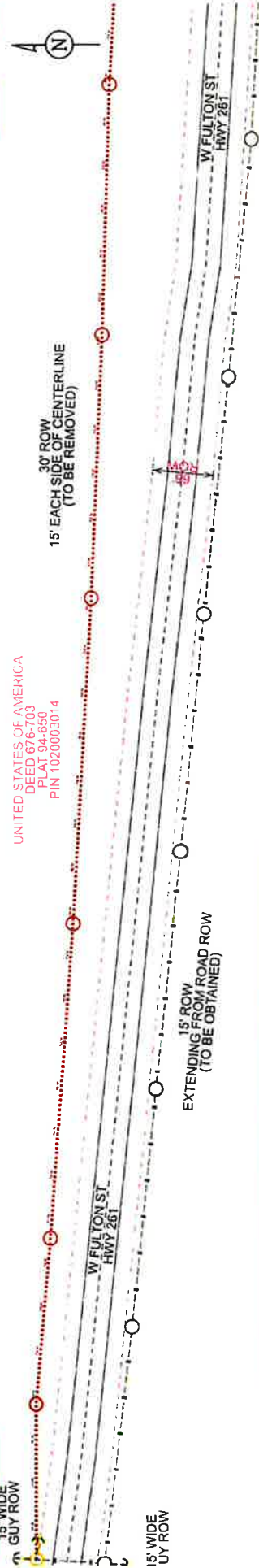
Date
7 June 2022

15' WIDE GUY ROW
 15' WIDE GUY ROW
 15' WIDE GUY ROW
 15' WIDE GUY ROW

REMEMBER: Work zone area conditions may have changed for this job! Everyone is responsible for verifying the above safety information is correct prior to any work being performed each day.

EXHIBIT A

Approximate Location of Distribution R/W across the property of:
 SC Tree Commission



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SC FORESTRY COMMISSION
 PLAT 2000-354
 STATE PIN 1069002001

SYMBOL LEGEND		
EXISTING	PROPOSED	REMOVED
EXISTING OVERHEAD LINE		
PROPOSED OVERHEAD LINE		
OVERHEAD LINE TO BE REMOVED		

FTC COMMUNICATIONS LLC
 DEED 1125-2431

Sheet 2 of 12

Job Site Address
 W. Fulton Street at Millford
 Pinetown Road

City
 PINEWOOD

County
 SUMTER

State Zip
 SC, 29125

Drawn By
 Darren Ballesteros

Date
 7 June 2022







Scale = NTS



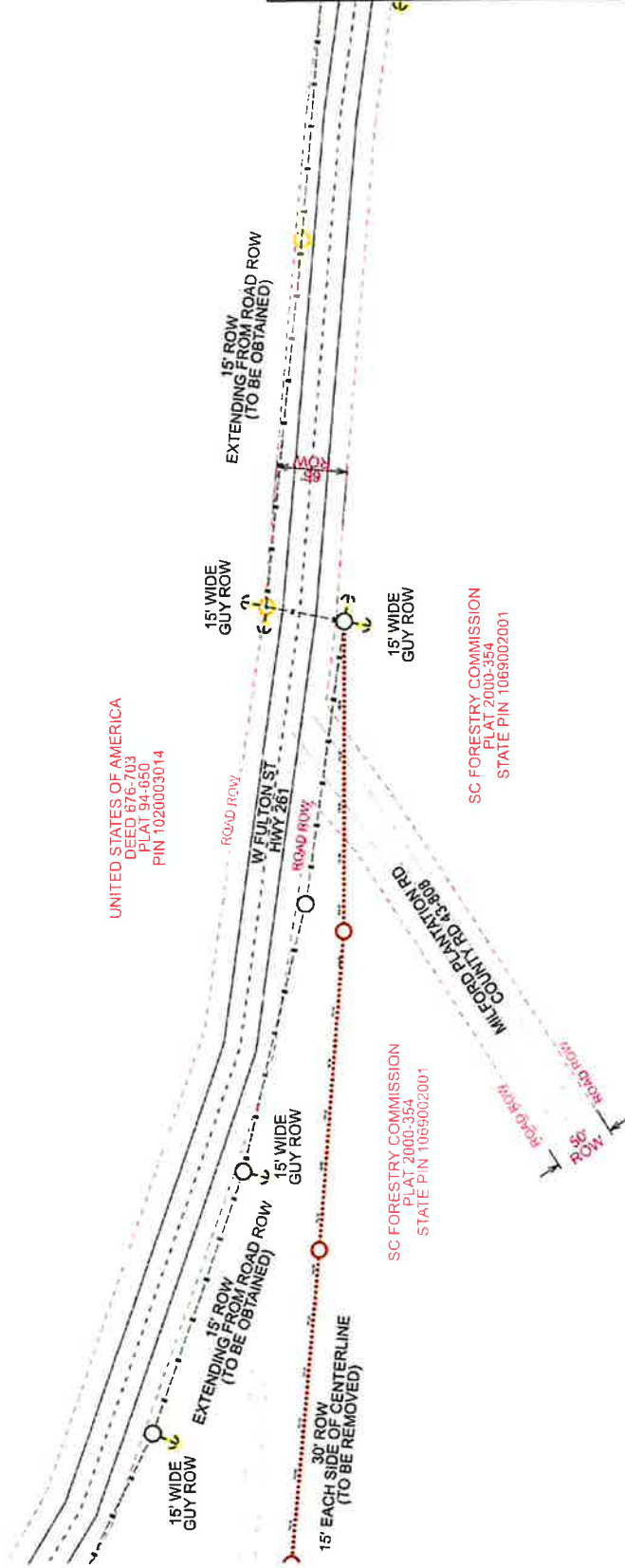
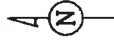
**Approximate Location of distribution R/W
across the property of:
SC Forestry Commission**

REMEMBER: Work zone area conditions may have changed for this job! Everyone is responsible for verifying the above safety information is correct prior to any work being performed each day.

EXHIBIT A

SYMBOL LEGEND		
EXISTING	PROPOSED	REMOVED
		
		
EXISTING OVERHEAD LINE		
PROPOSED OVERHEAD LINE		
OVERHEAD LINE TO BE REMOVED		

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WITH RECORDING REQUIREMENTS FOR PLATS



ETCF

USP: **ETCF**

USP: **ETCF**

USP: **ETCF**

USP: **ETCF**

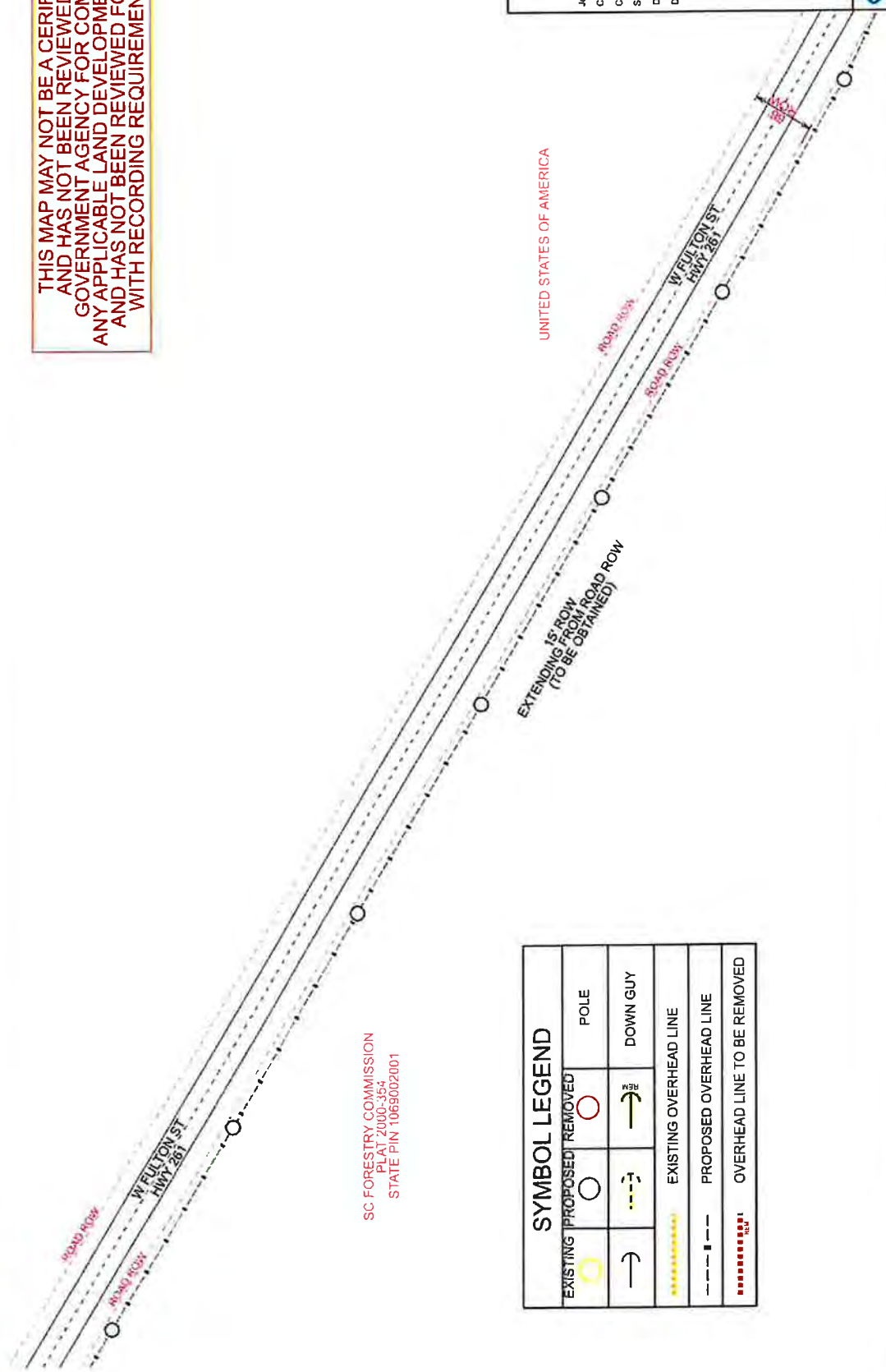
EXHIBIT A

Approximate Location of Distribution RW across property of:

SC Forestry Commission

REMEMBER: Work zone area conditions may have changed for this job! Everyone is responsible for verifying the above safety information is correct prior to any work being performed each day.

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SC FORESTRY COMMISSION
PLAT 2000-354
STATE PIN 1069002001

SYMBOL LEGEND			
EXISTING	PROPOSED	REMOVED	POLE
			DOWN GUY
EXISTING OVERHEAD LINE			
PROPOSED OVERHEAD LINE			
OVERHEAD LINE TO BE REMOVED			

Print 4 of 12

Job Site Address: W. Fulton Street at Millford Plantation Road

City: PINEWOOD

County: SUMTER

State: SC, 29125

Drawn By: Darren Ballesteros

Date: 3 June 2022



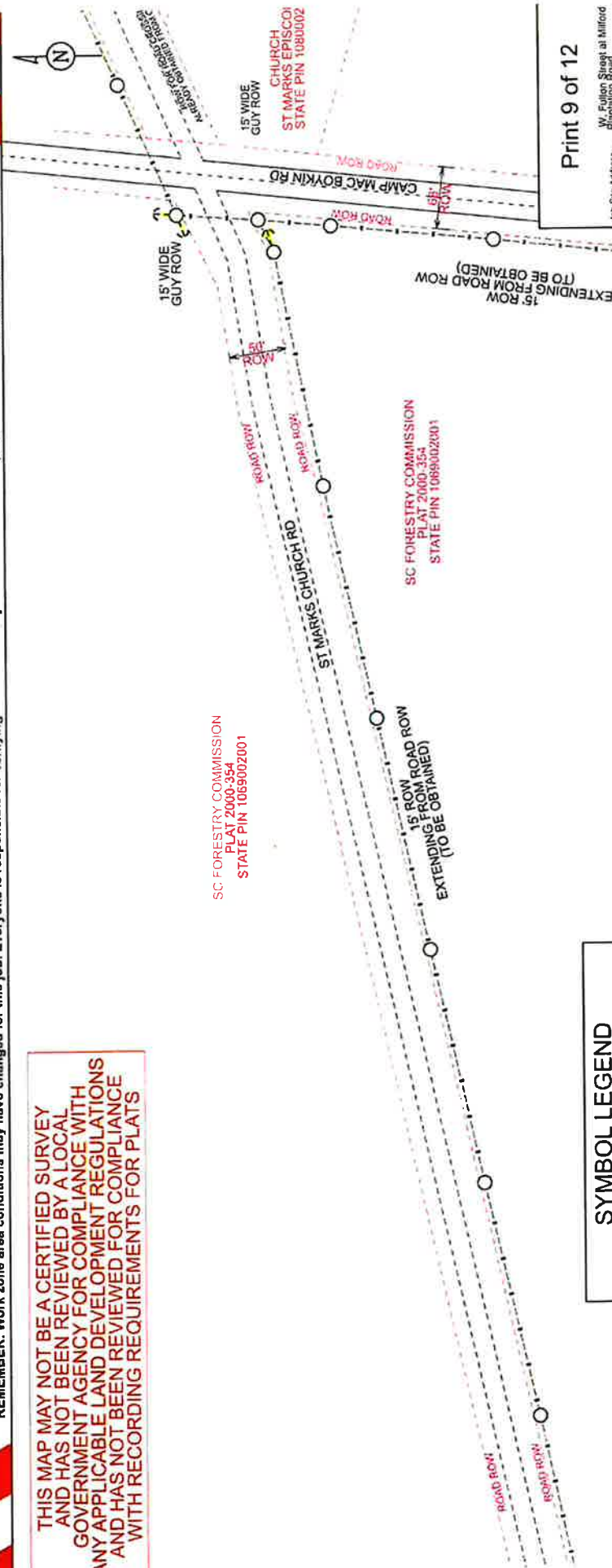
USP:
USP:
USP:
USP:
USP:







EXHIBIT A

Approximate Location of
across the property of:
SC Forestry Commission

REMEMBER: Work zone area conditions may have changed for this job! Everyone is responsible for verifying the above safety information is correct prior to any work being performed each day.

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GOVERNMENT AGENCY FOR COMPLIANCE WITH
ANY APPLICABLE LAND DEVELOPMENT REGULATIONS
AND HAS NOT BEEN REVIEWED FOR COMPLIANCE
WITH RECORDING REQUIREMENTS FOR PLATS



SYMBOL LEGEND		
EXISTING	PROPOSED	REMOVED
		
		
EXISTING OVERHEAD LINE		
PROPOSED OVERHEAD LINE		
OVERHEAD LINE TO BE REMOVED		

Print 9 of 12

Job Site Address:	W. Fulton Street at Milford Plantation Road
City	PINEWOOD
County	SUMTER
State, Zip	SC, 29125
Drawn By	Darren Ballesteros
	3 June 2022

USP:

ETCFirst

Small Accountability

USP:

USP:

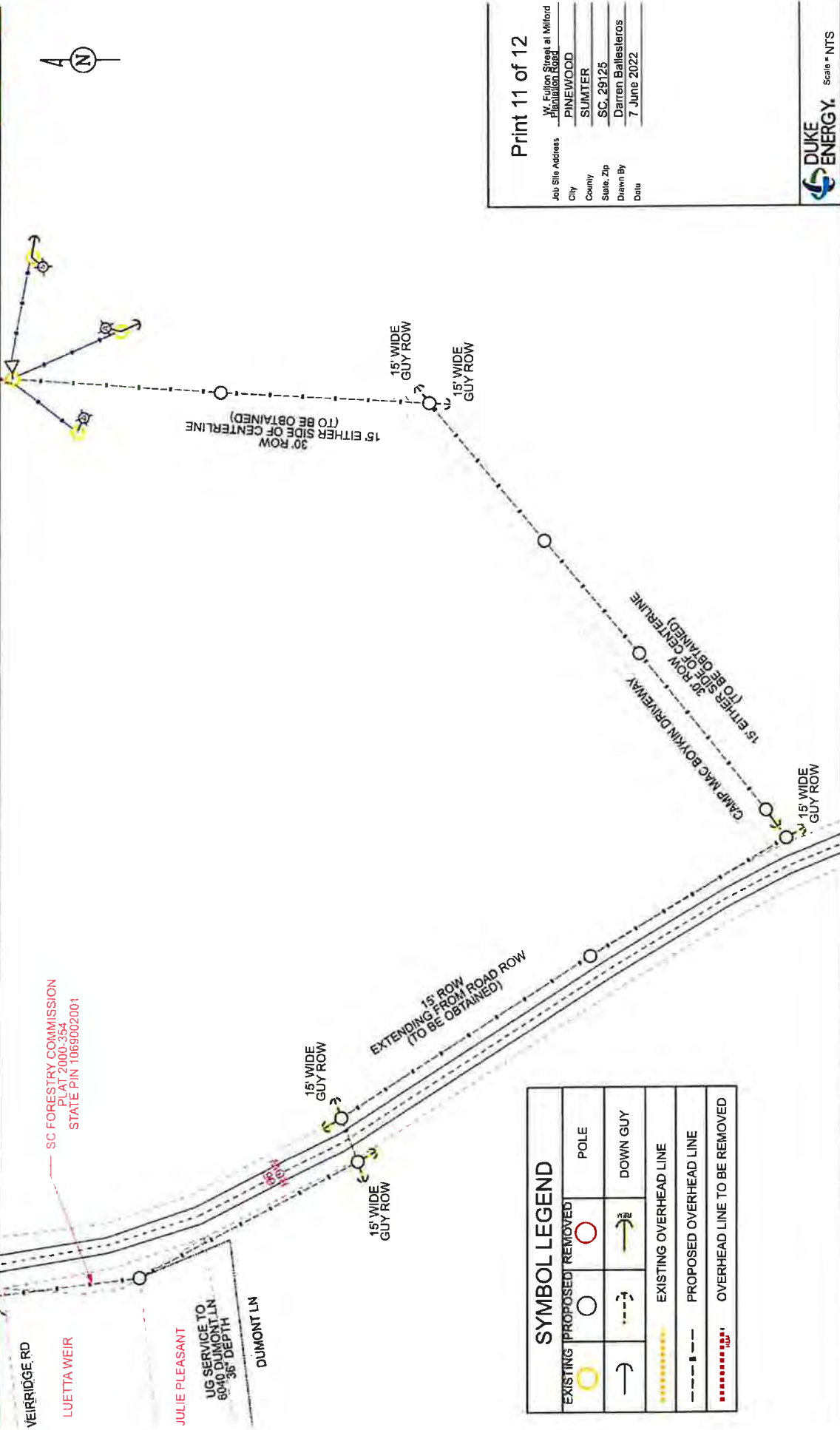
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USP:

EXHIBIT A

Approximate Location of Distribution RW across the property of: SC Tree Commission

REMEMBER: Work zone area conditions may have changed for this job! Everyone is responsible for verifying the above safety information is correct prior to any work being performed each day.



SYMBOL LEGEND	
EXISTING (PROPOSED) REMOVED	POLE
	DOWN GUY
	EXISTING OVERHEAD LINE
	PROPOSED OVERHEAD LINE
	OVERHEAD LINE TO BE REMOVED

Print 11 of 12

Job Site Address

W. Fuller Street at Milford Plantation Road

City

PINEWOOD

County

SUMTER

State, Zip

SC, 29125

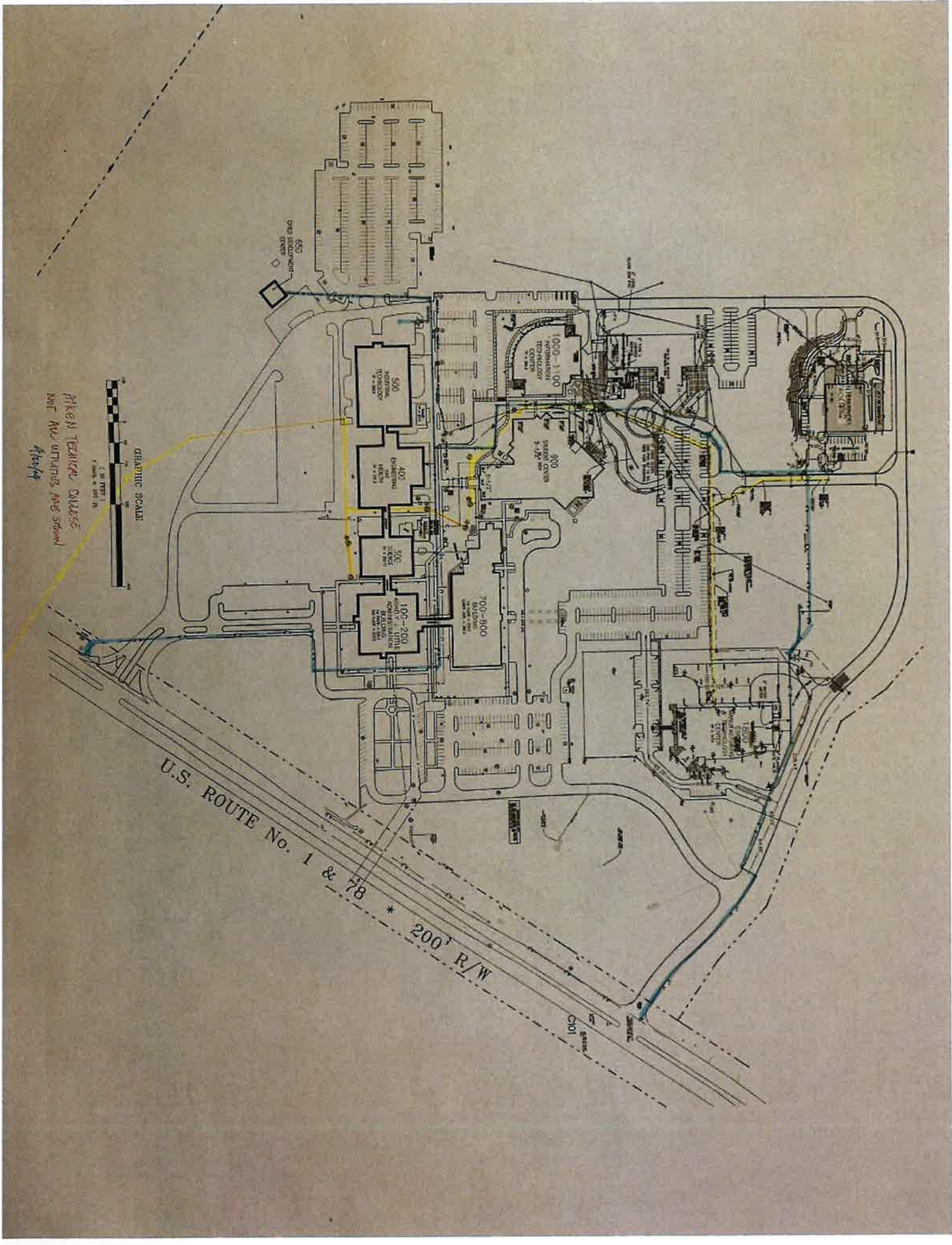
Drawn By

Darren Ballesteros

Date

7 June 2022

Scale = NTS



PIKEIN TECHNICAL COLLEGE
PLOT AND UTILITIES ARE SHOWN
AT 1/4" = 50'

August 30, 2022

Linda Gordon
SC Department of Administration
Real Property Services
1200 Senate St. Suite 460
Columbia, SC 29201

Re: Easement Request

Linda,

I am writing regarding an easement request from Duke Energy for a project on the Manchester State Forest in Sumter County. We communicated a few weeks ago by email about this project. Duke Energy needs to rebuild a section of existing lines that currently runs through a forested area on Manchester. They are proposing, as a part of this rebuild, to move the existing lines out of the forested area and place them in a new easement that follows a road on the property and surrender the existing easement through the forested area.

Moving the existing lines out of the forested area will be advantageous to the State as this will reduce the footprint of the easement by approximately 2.6 acres, be less disruptive to the management of the forest and allow the Forestry Commission to better manage those acres. Duke Energy has indicated that if they are required to purchase a new easement they will decline and continue to use the existing easement. The Forestry Commission is in favor of allowing them to move the lines into a new easement along the road at a nominal cost to them as is stated in S.C. Code Section 10-1-135.

The Forestry Commission has reviewed the request, and the granting of this easement would have no impact on our operations. Please except this letter as our official request to grant this easement, upon your review, and the proper approval from the JBRC and SFAA.

Please contact David Owen at 803-896-8829 should you have any questions or concerns about this matter.

Sincerely,



Scott L. Phillips
State Forester



The mission of the South Carolina Forestry Commission is to protect, promote, enhance and nurture the forestlands of South Carolina in a manner consistent with achieving the greatest good for its citizens.



(d)

September 23, 2022

Re: Duke Energy Manchester State Park
Grid Improvement Project

Mr. David Owen
South Carolina Forestry Commission

Dear Mr. Owen;

Duke Energy is in the process of implementing a Grid improvement project for in the Manchester State Forest area. As you know Duke has a power line that was constructed approximately ninety years ago that goes through the State Forest that serves Milford Plantation and the State Park. Due to the aging facilities this is scheduled to be rebuilt and upgraded.

It would be advantageous to the State Forest to relocate the line and place it along existing roads. The State Forest would be able to reclaim the 3.5 mile thirty foot right of way in exchange for a fifteen foot right of way for the line to be located along the roads.

Duke has applied to the State for a new easement for these facilities and will abandon the old right of way once the new line is constructed and placed in service.

As justification for the duration of the easement, it's necessary to have the longest term possible, which we understand to be fifty years, due to the large financial investment Duke Energy will make moving these lines and the longer easement term will ensure we will be able to continue our operations in this area.

Please feel free to contact me if you have any questions.

Sincerely,

Buz Moore

Buz Moore
Lead Real Estate Representative
Southeastern Land, Contractor for Duke Energy

(d)

Duke Energy

Line Relocation

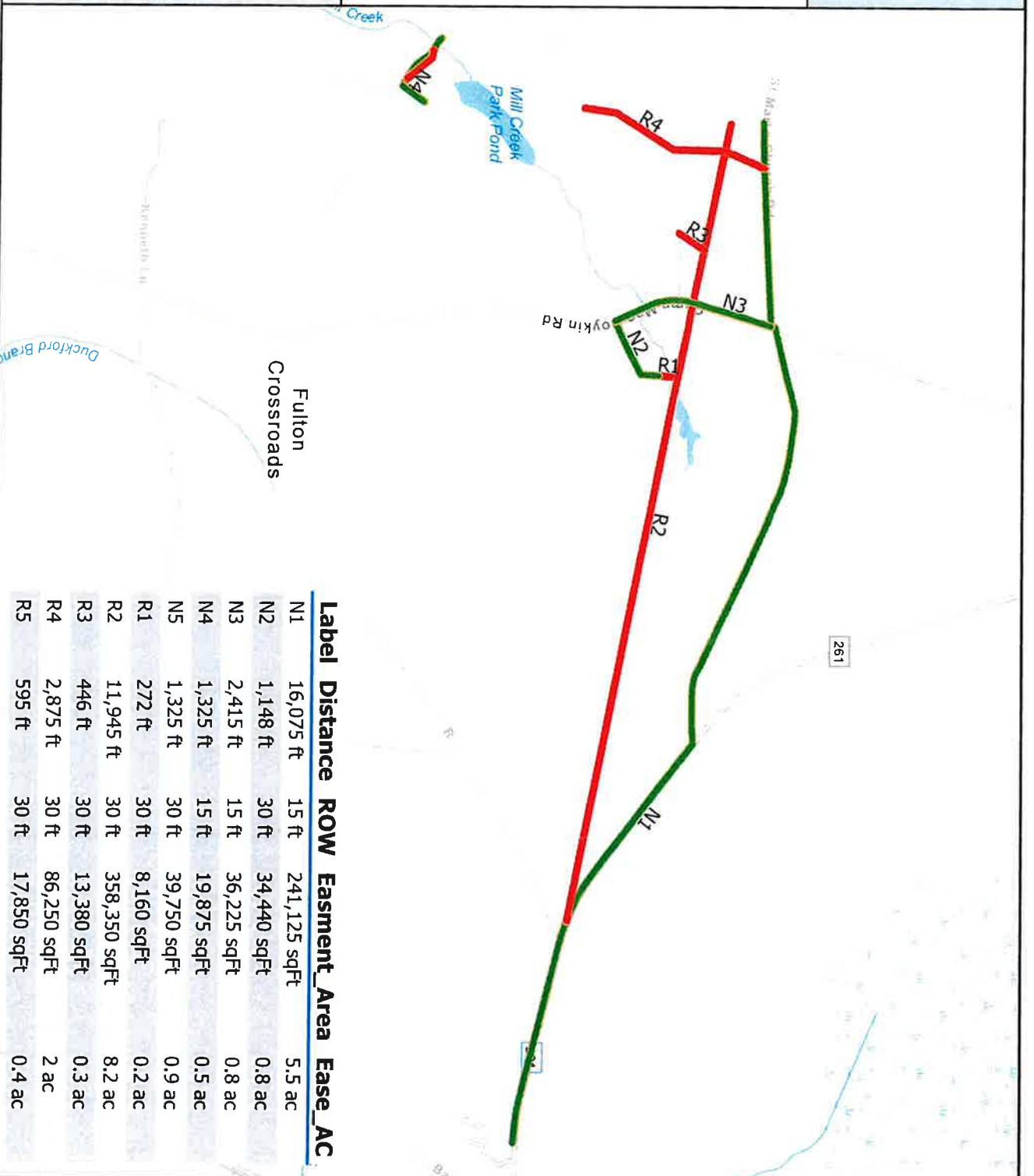
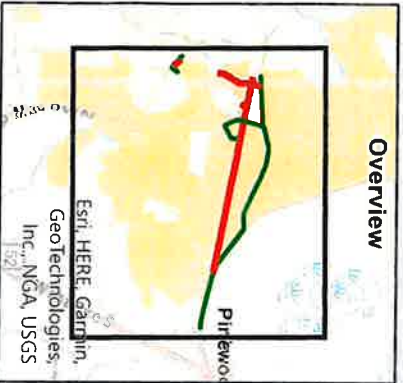
Prepared By: JDouglas

Date: 6/14/2022

Legend

- New
- Remove

Overview



Crossroads

Label	Distance	ROW	Easement	Area	Ease_Ac
N1	16,075 ft	15 ft	241,125 sqFt		5.5 ac
N2	1,148 ft	30 ft	34,440 sqFt		0.8 ac
N3	2,415 ft	15 ft	36,225 sqFt		0.8 ac
N4	1,325 ft	15 ft	19,875 sqFt		0.5 ac
N5	1,325 ft	30 ft	39,750 sqFt		0.9 ac
R1	272 ft	30 ft	8,160 sqFt		0.2 ac
R2	11,945 ft	30 ft	358,350 sqFt		8.2 ac
R3	446 ft	30 ft	13,380 sqFt		0.3 ac
R4	2,875 ft	30 ft	86,250 sqFt		2 ac
R5	595 ft	30 ft	17,850 sqFt		0.4 ac

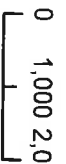


South Carolina
Forestry Commission

DISCLAIMER: This is a product of the South Carolina Forestry Commission. Reasonable efforts have been made to ensure the accuracy of this map. The SCFC expressly disclaims responsibility for damages or liability that may arise from the use of this map.

1:29,980

0 1,000 2,000 ft



(d)

USP: **ETVfirst**
USP: **ETVfirst**
USP: **ETVfirst**
USP: **ETVfirst**



7: 7: 7: 7:

EXHIBIT A



Approximate Location of Distribution RW
across the property of:
SC Forestry Commission

REMEMBER: Work zone area conditions may have changed for this job! Everyone is responsible for verifying the above safety information is correct prior to any work being performed each day.

UNITED STATES OF AMERICA
DEED 566,703
PLAT 56-650
PIN 10200003014



GENERAL NOTES:
-PROPOSED SPANS ARE APPROXIMATELY 250'
-PROPOSED POLES ARE PLACED 1' FOOT ONTO
-PRIVATE RIGHT-OF-WAY
-PLACEMENT OF CABLE ALONG SUMTER COUNTY
ROW HAS BEEN APPROVED

SYMBOL LEGEND			
EXISTING	PROPOSED	REMOVED	POLE
→	○	○	DOWN GUY
→	→	→	EXISTING OVERHEAD LINE
→	→	→	PROPOSED OVERHEAD LINE
→	→	→	OVERHEAD LINE TO BE REMOVED

FTC COMMUNICATIONS, LLC
DEED 1125-2721

ROBERT KIRVEN

Sheet 1 of 12

Job Site Address
City
County
State Zip
Drawn By
Date

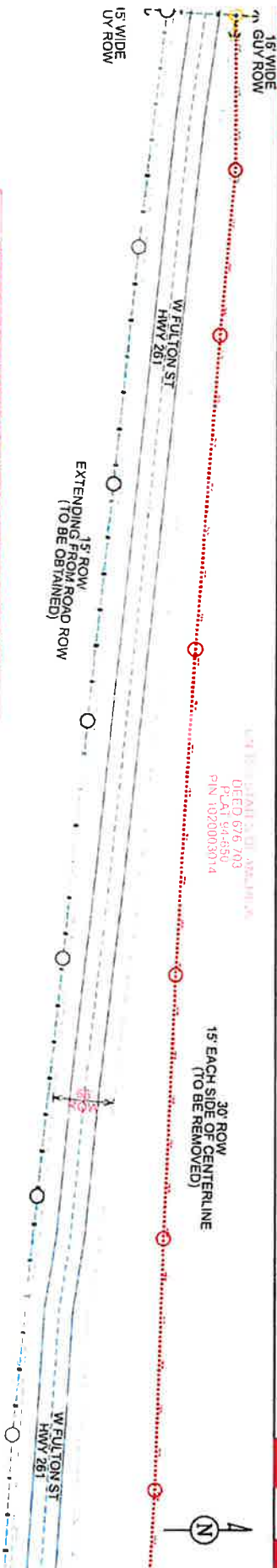
W. Fulton Street at Milford
PINEWOOD
SUMTER
SC, 29126
Darren Ballesleros
7 June 2022



(d)

















EITFirst		USP:		7:		EXHIBIT A	 Approximate Location of Distribution R/W across the property of: SC Tree Commission
SMA ACCOUNTANT		USP:		7:			
BY CONTRACT		USP:		7:			

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THIS MAP MAY NOT BE A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS AND HAS NOT BEEN REVIEWED FOR COMPLIANCE WITH RECORDING REQUIREMENTS FOR PLATS

SC FORESTRY COMMISSION
PLAT 2000-354
STATE PIN: 1059002031

SYMBOL LEGEND			
EXISTING	PROPOSED	REMOVED	POLE
			
			DOWN GUY
			EXISTING OVERHEAD LINE
			PROPOSED OVERHEAD LINE
			OVERHEAD LINE TO BE REMOVED

Sheet 2 of 12

Job Site Address	W. Fulton Street at Millard
City	PINEWOOD
County	SUMTER
State Zip	SC, 29125
Drawn By	Darren Ballesteros
Date	7 June 2022

(d)

USP: **ETFirst**
USP: **USP**
USP: **USP**
USP: **USP**



7: 7: 7: 7:

EXHIBIT A

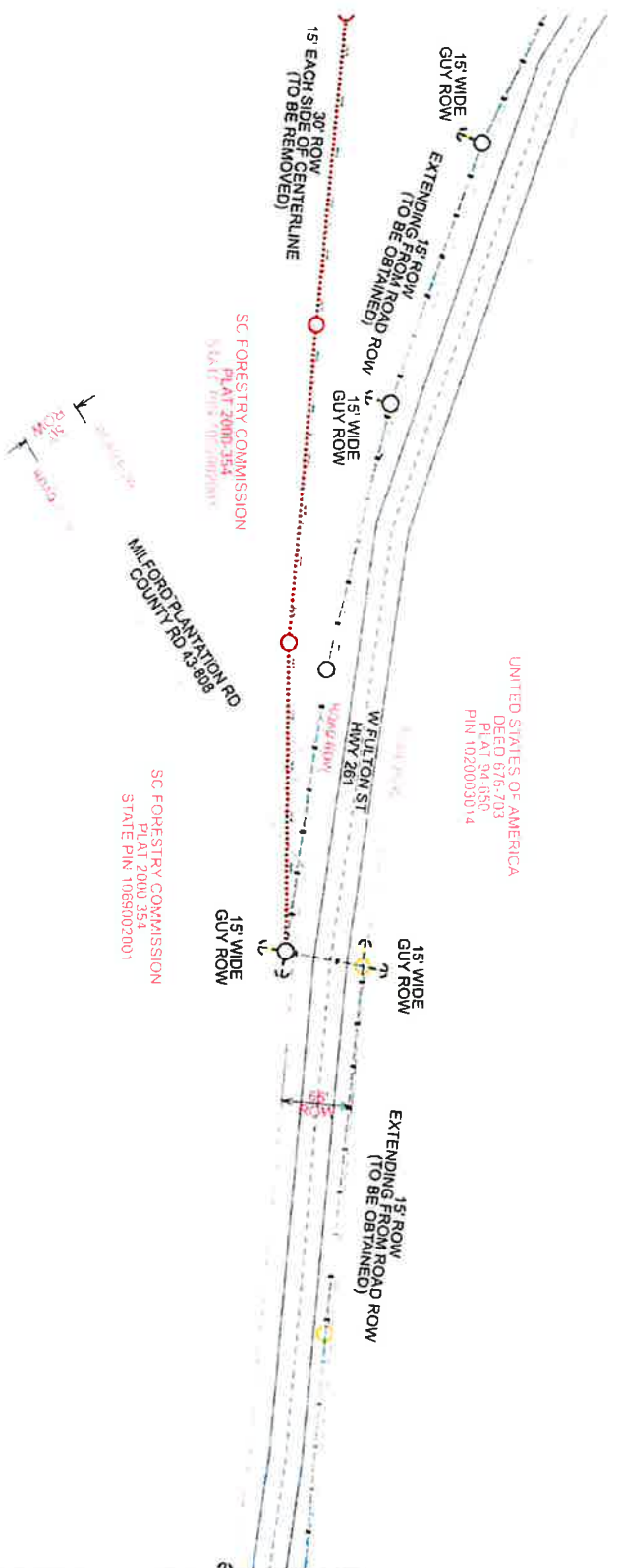
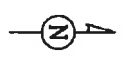


Approximate Location of distribution R/W
across the property of:
SC Forestry Commission

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SYMBOL LEGEND			
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→	→	→	DOWN GUY
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---	---	---	PROPOSED OVERHEAD LINE
---	---	---	OVERHEAD LINE TO BE REMOVED

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AND HAS NOT BEEN REVIEWED FOR COMPLIANCE
WITH RECORDING REQUIREMENTS FOR PLATS



Print 3 of 12

Job Site Address
City
County
State Zip
Drawn By
Date

W. Fulton Street at Milford
PINEWOOD
SUMTER
SC, 29125
Darren Ballesteros
1 June 2022

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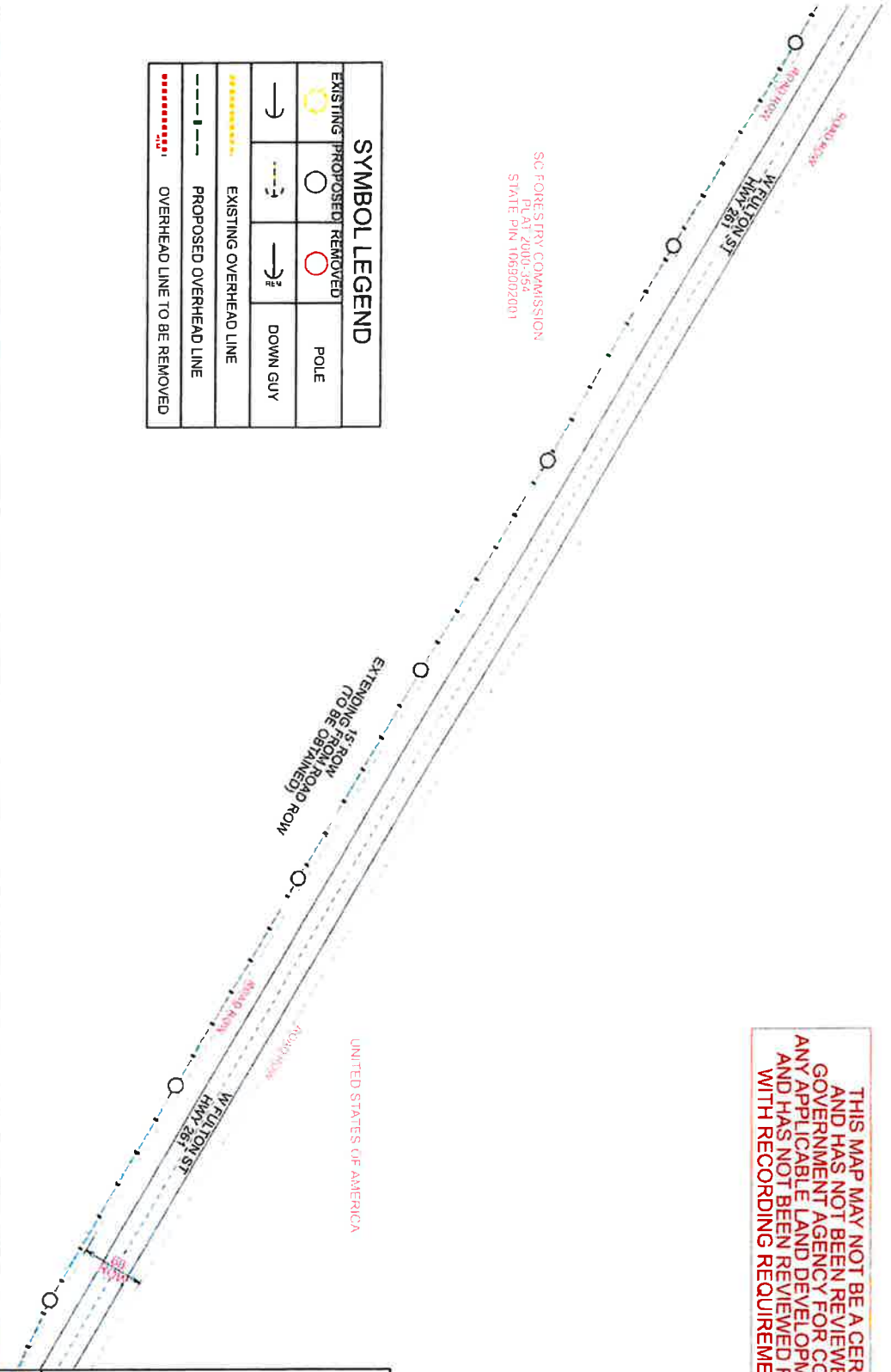
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EXHIBIT A












Approximate Location of Distribution R/W across property of:
SC Forestry Commission

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SYMBOL LEGEND			
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			DOWN GUY
	EXISTING OVERHEAD LINE		
	PROPOSED OVERHEAD LINE		
	OVERHEAD LINE TO BE REMOVED		

SC FORESTRY COMMISSION
PLAT 2000-354
STATE PIN 1069002001

UNITED STATES OF AMERICA

Print 4 of 12

Job Site Address	W. Fulton Street at Milford
City	Elmhurst, IL 60120
County	COOK
State Zip	IL 60120
Drawn By	Darren Bailestros
Date	3 June 2022

USP:  ETYFirst
USP: SMALL ACCOUNTS PARTNERSHIP
USP: e CARING
USP: NO HIGGLEDATION



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EXHIBIT A

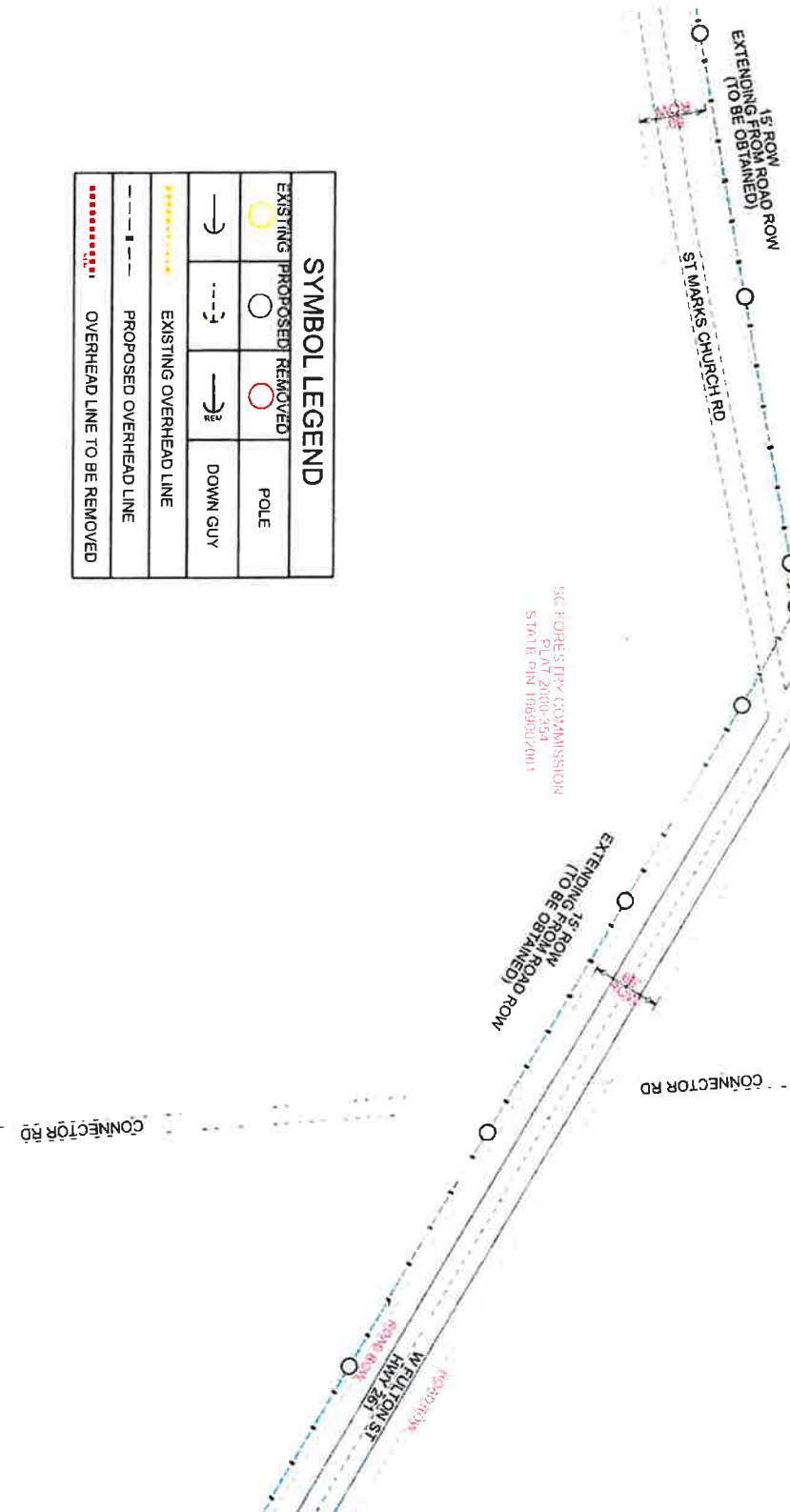


**Approximate Location of Distribution R/W across the property of:
SC Forestry Commission**










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SC FORESTRY COMMISSION
PLAT 2000-354
STATE PIN 1069002001

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AND HAS NOT BEEN REVIEWED FOR COMPLIANCE
WITH RECORDING REQUIREMENTS FOR PLATS



SYMBOL LEGEND

EXISTING	PROPOSED	REMOVED	
			POLE
			DOWN GUY
			EXISTING OVERHEAD LINE
			PROPOSED OVERHEAD LINE
			OVERHEAD LINE TO BE REMOVED

Print 5 of 12

Job Site Address	W. Fulton Street at Milford Pinewood Road
City	PINEWOOD
County	SUMTER
State Zip	SC, 29125
Drawn By	Darren Bailesteros
Date	3 June 2022

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REMEMBER: Work zone area conditions may have changed for this job! Everyone is responsible for verifying the above safety information is correct prior to any work being performed each day.



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EXHIBIT A



**Approximate Location of Distribution R/W across property of:
SC Forestry Commission**

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SC FORESTRY COMMISSION
PLAT 2000 35A
STATE PIN 1068902001

SC FORESTRY COMMISSION
PLAT 2001-754
STATE PIN 166900201










EXTENDING 15' ROW
(TO BE OBTAINED)
ST MARKS CHURCH

NEW
NEW

♀ 15' WIDE
♂ GUY ROW



SYMBOL LEGEND

SYMBOL LEGEND			
EXISTING	PROPOSED	REMOVED	
			POLE
			DOWN GUY
	EXISTING OVERHEAD LINE		
	PROPOSED OVERHEAD LINE		
	OVERHEAD LINE TO BE REMOVED		

Print 6 of 12

Job Site Address	W. Fulton Street at Midford Pinewood Road
City	PINEWOOD
County	SUMTER
State Zip	SC, 29125
Drawn By	Darren Bailesteros
Date	3 June 2022



ETYFirst
CHRYSLER
CREDIT FINANCIAL
CORPORATION



EXHIBIT A



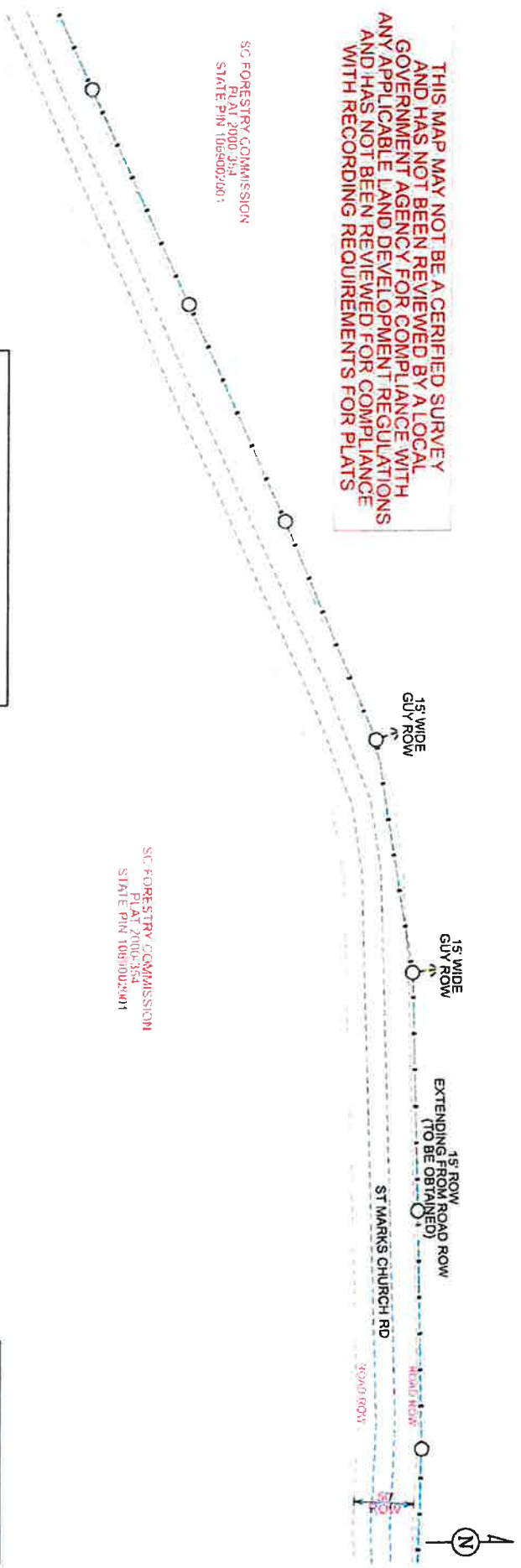
**Approximate Location of Distribution R/W across the property of:
SC Forestry Commission**










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SC FORESTRY COMMISSION
PLAT 2000-354
STATE PIN 1069002001

SC FORESTRY COMMISSION
PLAT 2000-354
STATE PIN 1061002001



SYMBOL LEGEND			
EXISTING	PROPOSED	REMOVED	
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	EXISTING OVERHEAD LINE		
	PROPOSED OVERHEAD LINE		
	OVERHEAD LINE TO BE REMOVED		

CHURCH
MARKS EPISCOPAL
ATE PIN 1080002001

Print 8 of 12

My Fullon Street at Millord
Pinewood Road
PINEWOOD
SUMTER
SC, 29125
Darren Ballasteros
3 June 2022

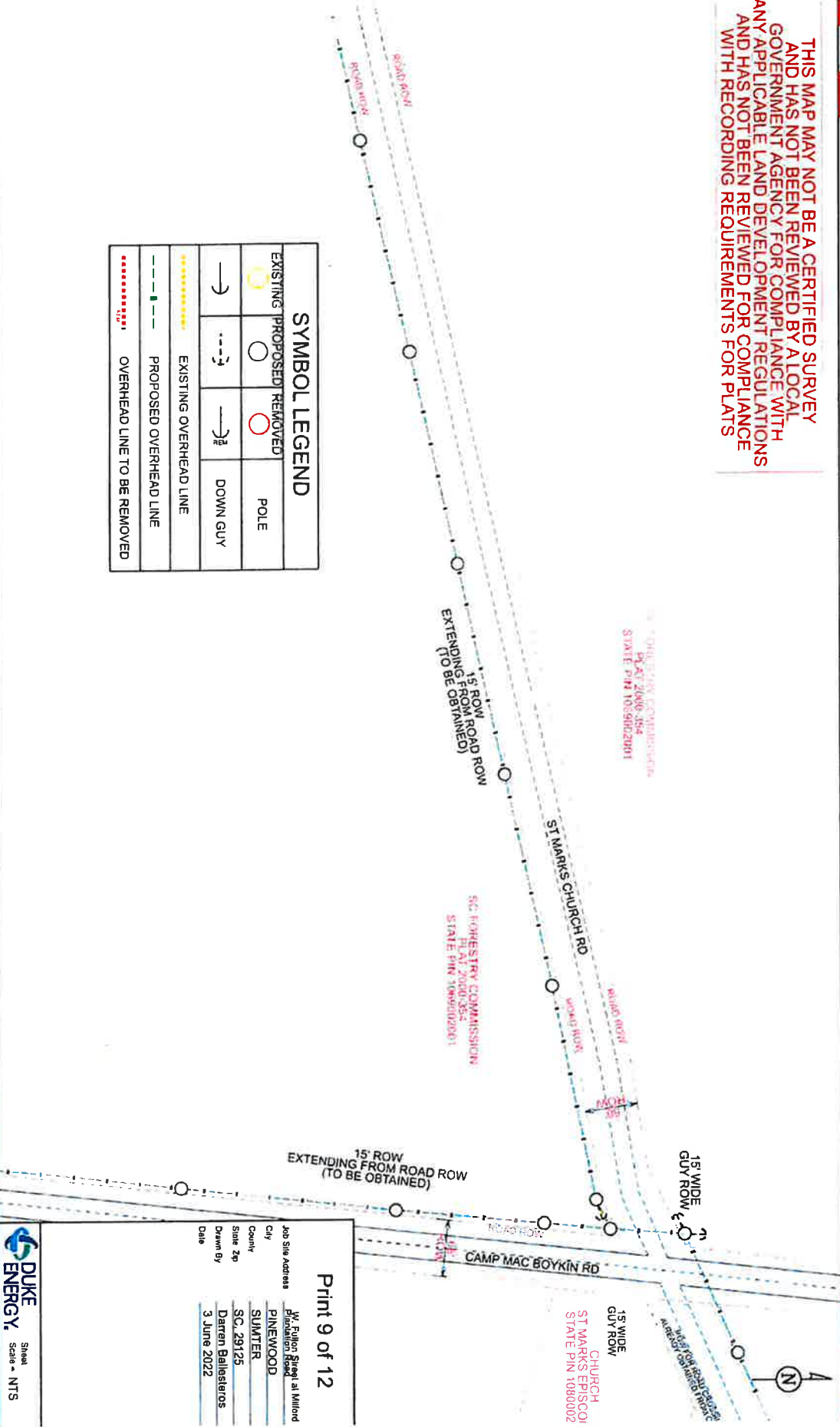
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EXHIBIT A

 **Approximate Location of Distribution R/W across the property of:
SC Forestry Commission**

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Print 9 of 12

 **DUKE**
ENERGY.

Sheet
Scale - NTS

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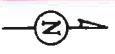








EXHIBIT A

Approximate Location of Distribution R/W across the property of:

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AND HAS NOT BEEN REVIEWED FOR COMPLIANCE
WITH RECORDING REQUIREMENTS FOR PLATS



SYMBOL LEGEND			
EXISTING	PROPOSED	REMOVED	
			POLE
			DOWN GUY
EXISTING OVERHEAD LINE			
PROPOSED OVERHEAD LINE			
OVERHEAD LINE TO BE REMOVED			

ACCESS ROAD

SC FORESTRY COMMISSION
PLAT 2000-354
STATE PIN 1069002001

Sheet 10 of 12

Job Site Address W. Fulton Street at Milford
City Pinewood
County SUMTER
State Zip SC, 29125
Drawn By Darren Bailesteros
Date 7 June 2022

DUKE ENERGY. Scale = NTS

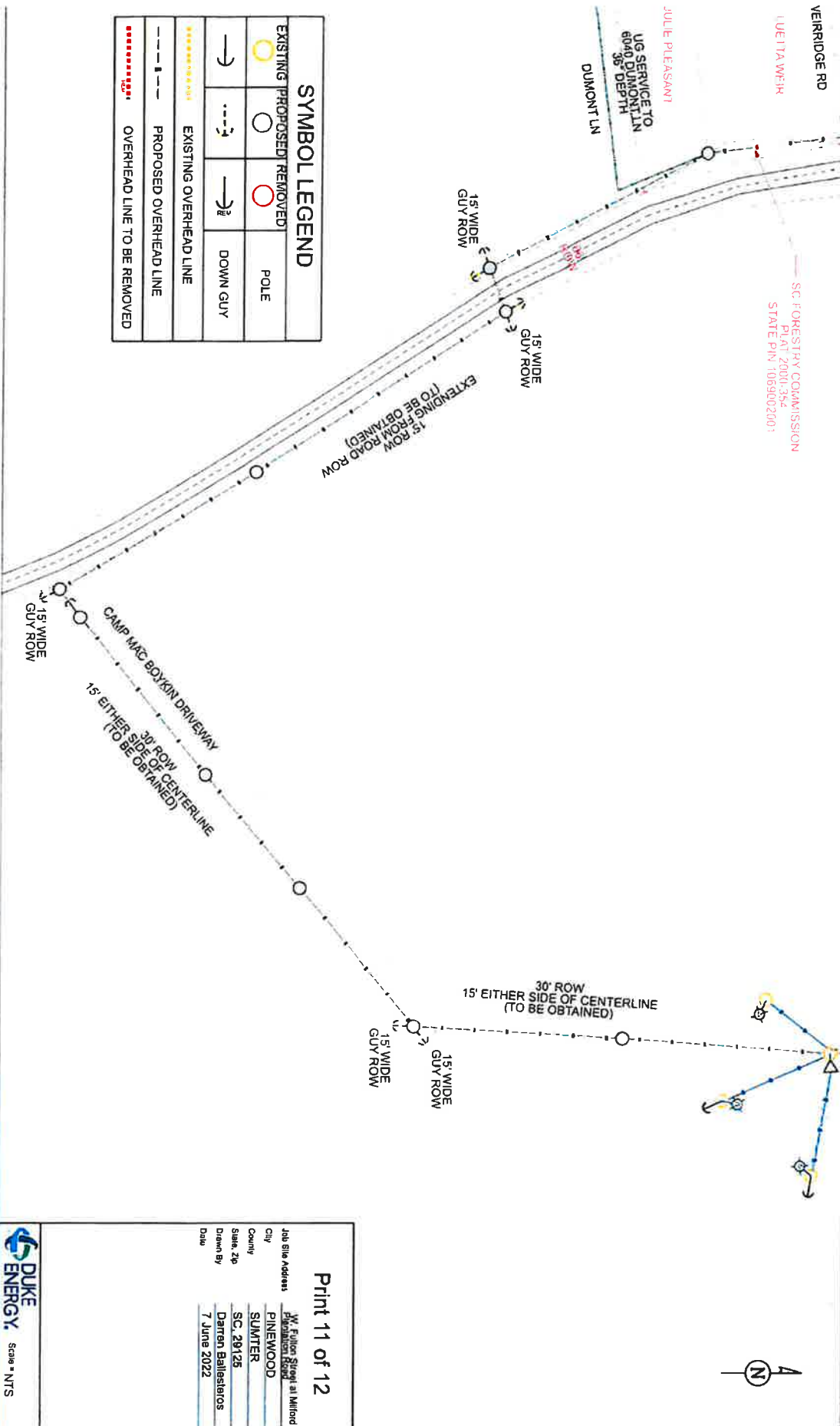
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EXHIBIT A

**Approximate Location of Distribution R/W across the property of:
SC Tree Commission**

REMEMBER: Work zone area conditions may have changed for this job! Everyone is responsible for verifying the above safety information is correct prior to any work being performed each day.



Print 11 of 12

Job Site Address	W. Fulton Street at Milford Piquette Road
City	PINWOOD
County	SUMTER
State, Zip	SC, 29125
Drawn By	Darren Bailesteros
Date	7 June 2022

(d)



USP: USP: USP: USP: USP:



USP: USP: USP: USP: USP:

EXHIBIT A



Approximate Location of Distribution R/w across the property of:
SC Forestry Commission

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AND HAS NOT BEEN REVIEWED FOR COMPLIANCE
WITH RECORDING REQUIREMENTS FOR PLATS



SYMBOL LEGEND			
EXISTING	PROPOSED	REMOVED	POLE
			POLE
			DOWN GUY
	EXISTING OVERHEAD LINE		
	PROPOSED OVERHEAD LINE		
	OVERHEAD LINE TO BE REMOVED		

SC FORESTRY COMMISSION
PLAT 2000-353
STATE PIN 1069002001

CLASSICAL AMERICAN HOMES
PRESERVATION TRUST

SC FORESTRY COMMISSION
PLAT 2000-354
STATE PIN 1069002001

15' ROW ROAD ROW
EXTENDING FROM ROW
(TO BE OBTAINED)

ST MARKS CHURCH RD



END OF FORESTRY ROW

Print 12 of 12

Job Site Address
City
County
State Zip
Drawn By
Date

W. Fulton Street at Millard
PINEWOOD
SUMTER
SC, 29125
Darrin Ballesteros
3 June 2022



Aiken Technical College



EDUCATING MINDS
CHANGING LIVES
ENRICHING COMMUNITIES

[Administrative Services] | [100/200] | [Procurement]

September 26, 2022

Linda M. Gordon, Real Property Services
Department of Administration
1200 Senate Street, Room 612
Columbia, SC 29201

Dear Ms. Gordon,

In order to transfer full responsibility of the sewer and water lines that reside within the property at 2276 Jefferson Davis Highway in Graniteville, Aiken Technical College (ATC) is requesting Department of Administration and State Fiscal Accountability Authority approval of an easement to Breezy Hill Water & Sewer Company, a non-profit public utility provider, for the operation and maintenance of said lines serving the College's campus, and as such, is also requesting that the easement be granted for nominal consideration. We expect that there is a significant amount of deferred maintenance as the lines are approximately 50 years old and will only continue to require maintenance and repair. As justification for the duration of the easement, it's necessary to have the longest term possible, which we understand to be fifty years, due to Breezy Hill assuming responsibility of the water and sewer systems on the College's campus.

This request will not impact the operation of the institution in any means, in truth deeding the lines over to Breezy Hill will alleviate due diligence on our part for annual testing and maintenance within the campus lines. In doing so the transaction will create no financial bearing on our budget as the lines are not listed as an asset on our financial report. Breezy Hill opted out of performing a financial analysis as they are aware this overtaking will be a deficit to their budget and yet have offered to alleviate the burden of the lines as a means of public service and community progression.

In closing, Breezy Hill will be incurring additional cost on their part and gain no benefit of the transfer of the lines. This transaction will alleviate Aiken Technical College from the many responsibilities pertaining to the lines that are out of our purview to maintain both the sewer and water lines creating a large relief for our maintenance team and budget.

Sincerely,

Dora Robson, CPPB, NIGP-CPP
Director of Procurement
803-508-7269
Robinsond6@atc.edu

Sewer Line - Yellow
Water Line - Blue



AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: College of Charleston Lease of 44,318 square feet at 4750 Goer Drive, North Charleston

The College of Charleston ("College") requests approval to lease 44,318 rentable square feet of warehouse and office space at 4750 Goer Drive, North Charleston from Citimark Charleston, LLC ("Landlord"). The College's current lease at this location expires on December 14, 2022. The College has been leasing space at this location since 2005. The leased space is used to house the College's central warehouse and receiving department.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for warehouse space for one (1), two (2), five (5) and seven (7) year terms. Proposals for five locations were received, three of which were non-responsive. Of the remaining two, the current location is the lowest priced offer.

The requested lease term will be five (5) years commencing December 15, 2022. All operating costs are included in the rent with the exception of utilities which will be paid by the College directly. Base rent for the first year is \$10.85 per rentable square foot with annual escalations thereafter as set forth in the chart below. The total rent to be paid over the five-year term will be \$2,563,796.30.

LEASE TERM	PERIOD: FROM – TO	ANNUAL RENT	MONTHLY RENT	RENT PER SF
Year 1	December 15, 2022 – December 14, 2023	\$480,850.30	\$40,070.86	\$10.85
Year 2	December 15, 2023 – December 14, 2024	\$499,020.68	\$41,585.06	\$11.26
Year 3	December 15, 2024 – December 14, 2025	\$512,759.26	\$42,729.94	\$11.57
Year 4	December 15, 2025 – December 14, 2026	\$527,827.38	\$43,985.62	\$11.91
Year 5	December 15, 2026 – December 14, 2027	\$543,338.68	\$45,278.22	\$12.26

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: College of Charleston Lease of 44,318 square feet at 4750 Goer Drive, North Charleston

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate/SF/Year
Vacant*	5056 International Blvd, N. Charleston	\$10.81/SF with no operating expenses included
Vacant	2457 West Aviation Ave, N. Charleston	\$19.00/SF
Vacant	3564 Dorchester Rd, N. Charleston	\$17.88/SF

** offer received in response to solicitation*

The College has adequate funds for the lease according to a Budget Approval Form submitted. Lease payments will be funded through College fees. No option to purchase the property is included in the lease.

AUTHORITY ACTION REQUESTED:

Approve the proposed 5-year lease for the College of Charleston for 44,318 square feet at 4750 Goer Drive, North Charleston, 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: November 9, 2022

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster
Ashlie Lancaster, Director

2. Subject: College of Charleston Lease of 44,318 square feet at 4750 Goer Drive, North Charleston

3. Summary and Background Information:

The College of Charleston ("College") requests approval to lease 44,318 rentable square feet of warehouse and office space at 4750 Goer Drive, North Charleston from Citimark Charleston, LLC ("Landlord"). The College's current lease at this location expires on December 14, 2022. The College has been leasing space at this location since 2005. The leased space is used to house the College's central warehouse and receiving department.

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LEASE TERM	PERIOD: FROM – TO	ANNUAL RENT	MONTHLY RENT	RENT PER SF
Year 1	December 15, 2022 – December 14, 2023	\$480,850.30	\$40,070.86	\$10.85
Year 2	December 15, 2023 – December 14, 2024	\$499,020.68	\$41,585.06	\$11.26
Year 3	December 15, 2024 – December 14, 2025	\$512,759.26	\$42,729.94	\$11.57
Year 4	December 15, 2025 – December 14, 2026	\$527,827.38	\$43,985.62	\$11.91
Year 5	December 15, 2026 – December 14, 2027	\$543,338.68	\$45,278.22	\$12.26

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate/SF/Year
Vacant*	5056 International Blvd, N. Charleston	\$10.81/SF with no operating expenses included
Vacant	2457 West Aviation Ave, N. Charleston	\$19.00/SF
Vacant	3564 Dorchester Rd, N. Charleston	\$17.88/SF

* offer received in response to solicitation

The College has adequate funds for the lease according to a Budget Approval Form submitted. Lease payments will be funded through College fees. No option to purchase the property is included in the lease.

4. What is Authority asked to do? Approve the proposed 5-year lease for the College of Charleston for 44,318 square feet at 4750 Goer Drive, North Charleston.

5. What is recommendation of the division of Facilities Management and Property Services? Approve the proposed 5-year lease for the College of Charleston for 44,318 square feet at 4750 Goer Drive, North Charleston.

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:

- Letter from the College



September 23, 2022

Ms. Ashlie Lancaster
Division Director, Facilities Management and Property Services
1200 Senate Street, 6th Flr
Columbia, SC 29201

RE: Warehouse Space

Dear Ms. Lancaster:

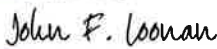
The College currently leases space at 4750 Goer Drive Suites D & E in North Charleston to house its central warehousing and receiving division. The current ten-year lease expires on December 14, 2022.

Through the lease solicitation process, the College received five proposals for these space needs. The most satisfactory response is a modified gross lease at 4750 Goer Drive as it allows for a five-year lease and individual receiving docks. The property will consist of approximately 44,318 SF which meets our current space needs and is the same amount of space we currently occupy. Specifically of note, the location is centrally located to campus and the interstate which allows for ease in freight delivery. The other locations were unsuitable as they were either triple net (which is expected to be more expensive), limited square footage (less than requested), and/or remote location.

The term of the lease is for five years. The cost per square foot in the first year is \$10.85. Rent shall be increased annually as of December 15 with the year 5 rent being \$12.26 per square foot. The total estimated lease cost is \$2,563,796.

We respectfully request your assistance in obtaining JBRC and SFAA approval of this lease.

Sincerely,

DocuSigned by:

2A42872317CF4ED...

John F. Loonan
Executive Vice President for Business Affairs

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Commerce Lease at 1201 Main Street, Suites 1600 and 1740, Columbia, SC

The SC Department of Commerce requests approval to continue leasing 27,927 rentable square feet of office space located at 1201 Main Street in Columbia, SC from Hamilton Capitol Center LLC. The Agency has leased space at this location since April 1986. The current leases will expire on March 31, 2023.

A solicitation was conducted for three and five-year terms, and three (3) responsive proposals were received. The current location was the second least expensive offer.

The lease term will be five (5) years beginning April 1, 2023, at a rate of \$17.75 per rentable square foot for an annual aggregate amount of \$495,704.25 for the first year. Thereafter, basic rent increases 2.50% annually as shown in the table below. The total rent to be paid over the five-year term will be \$2,605,309.83. This is a full gross lease and includes all operating expenses.

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	1 April 2023-31 March 2024	\$ 495,704.25	\$ 41,308.69	\$ 17.75
YEAR 2	1 April 2024-31 March 2025	\$ 507,992.13	\$ 42,332.68	\$ 18.19
YEAR 3	1 April 2025-31 March 2026	\$ 520,838.55	\$ 43,403.21	\$ 18.65
YEAR 4	1 April 2026-31 March 2027	\$ 533,684.97	\$ 44,473.75	\$ 19.11
YEAR 5	1 April 2027-31 March 2028	\$ 547,089.93	\$ 45,590.83	\$ 19.59

Adequate parking is available in the parking garage adjacent to the building via a separate agreement with the City of Columbia.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Commerce Lease at 1201 Main Street, Suites 1600 and 1740, Columbia, SC

The following chart represents comparable lease rates of similar business space:

Tenant	Location	Rate /SF**
Vacant*	1501 Lady Street	\$18.50
Vacant	7909 Parklane Road	\$19.00
Vacant*	1441 Main Street	\$22.50
Insurance Department	1201 Main Street	\$17.81
Worker's Compensation Commission	1333 Main Street	\$18.25
Vacant*	240 Stoneridge Drive	\$16.50

* Received in response to this solicitation

** Above rates may be subject to base rent or operating expense escalations

Agency has adequate funds for the lease according to a Budget Approval Form submitted September 26, 2022, which also includes a multi-year plan. Lease payments will be funded through state appropriations, federal funding, and other funds. No option to purchase the property is included in the lease.

The lease was approved by JBRC on October 18, 2022.

AUTHORITY ACTION REQUESTED:

Approve the proposed five-year lease for the SC Department of Commerce at 1201 Main Street Suites 1600 and 1740 in Columbia, SC, 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: November 9, 2022

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster
Ashlie Lancaster, Director

2. Subject: SC Department of Commerce Lease at 1201 Main Street, Suites 1600 and 1740, Columbia SC

3. Summary and Background Information:

The SC Department of Commerce requests approval to continue leasing 27,927 rentable square feet of office space located at 1201 Main Street in Columbia, SC from Hamilton Capitol Center LLC. The Agency has leased space at this location since April 1986. The current leases will expire on March 31, 2023.

A solicitation was conducted for three and five-year terms, and three (3) responsive proposals were received. The current location was the second least expensive offer.

The lease term will be five (5) years beginning April 1, 2023, at a rate of \$17.75 per rentable square foot for an annual aggregate amount of \$495,704.25 for the first year. Thereafter, basic rent increases 2.50% annually as shown in the table below. The total rent to be paid over the five-year term will be \$2,605,309.83. This is a full gross lease and includes all operating expenses.

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Adequate parking is available in the parking garage adjacent to the building via a separate agreement with the City of Columbia.

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* Received in response to this solicitation

** Above rates may be subject to base rent or operating expense escalations

Agency has adequate funds for the lease according to a Budget Approval Form submitted September 26, 2022, which also includes a multi-year plan. Lease payments will be funded through state appropriations, federal funding, and other funds. No option to purchase the property is included in the lease.

The lease was approved by JBRC on October 18, 2022.

4. **What is the Authority asked to do?** Approve the proposed five-year lease for the SC Department of Commerce at 1201 Main Street in Columbia, SC.

5. **What is recommendation of the submitting agency involved?** Approve the proposed five-year lease for the SC Department of Commerce at 1201 Main Street in Columbia, SC.

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:**

- Letter from Agency



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

September 26, 2022

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

Dear Ms. Lancaster:

The South Carolina Department of Commerce (Commerce) requests approval by the Joint Bond Review Committee (JBRC) and the State Fiscal Accountability Authority (SFAA) at its upcoming meetings, to consider a five (5) year lease with Hamilton Capitol Center LLC, for property located at 1201 Main Street, Columbia, South Carolina 29201.

As South Carolina's leading economic development agency, Commerce works to recruit new businesses and help existing business grow. The current lease expires March 31, 2023. Commerce has shared services agreements with both the Rural Infrastructure Authority and the Jobs and Economic Development Authority and will share office space with Commerce as part of this proposed lease.

Commerce in coordination with the South Carolina Department of Administration (DOA) initiated a competitive solicitation for available lease space on April 6, 2022, to determine whether other suitable commercial office space alternatives were available, and to obtain the best value for the State. After reviewing the proposals submitted, Commerce has determined that the property located at 1201 Main Street in Columbia meets our space requirements and needs. We considered location and cost of relocation in our decision-making.

The proposed lease is a five-year term, beginning April 1, 2023, and expiring March 31, 2028. The basic rental rate starts at \$17.75/SF, which is an annual rent of \$495,704 for the first year and increases 2.5% each year thereafter.

Thank you for your assistance in this process and for your consideration of our request. Please let me know if you need any additional information.

Sincerely,

A handwritten signature in black ink, reading "Harry M. Lightsey III".

Harry M. Lightsey III
HML/ch/vw

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF November 9, 2022

REGULAR SESSION
ITEM NUMBER 6

AGENCY: Division of Procurement Services

SUBJECT: Audit and Certification - Northeastern Technical College

At its August 30, 2022, meeting, the Authority directed Northeastern Technical College to provide the Division of Procurement Services with a written corrective action plan for the preparation, organization, filing and maintenance of procurement workpapers for submittal to the Authority. Attached is the College's written corrective action plan.

AUTHORITY ACTION REQUESTED:

Receive the Northeastern Technical College's corrective action plan for information only.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: November 9, 2022

Regular Agenda

1. Submitted by:

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



John St. C. White, Materials Management Officer

2. Subject: Audit and Certification

3. Summary and Background Information:

At its August 30, 2022, meeting, the Authority directed Northeastern Technical College to provide the Division of Procurement Services with a written corrective action plan for the preparation, organization, filing and maintenance of procurement workpapers for submittal to the Authority. Attached is the College's written corrective action plan.

4. What is Authority asked to do?

Receive the College's corrective action plan for information only.

5. What is recommendation of the submitting agency involved?

The Division recommends that the Authority receive the College's corrective action plan for information only.

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) NETC-Workpaper preparation, filing and retention policy

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



NORTHEASTERN TECHNICAL COLLEGE STATEMENT OF PROCEDURE

Since the State Fiscal Accountability Authorities August 30, 2022, North Eastern Technical College (NETC) has been developing an internal Procurement Policy which includes procedures for standardizing the preparation, organization, filing and maintenance of procurement work-papers. The following are those procedures as they appear in the Procurement Policy. NETC is currently working with its new Director of Finance and Procurement Director to immediately implement these procedures. Implementation of this policy will standardize filing by all staff and correct NETC's inability to locate procurement files.

XIII. Procurement Documentation Process

The NETC College Procurement Office maintains files for the procurement related information in two categories: Working (ACTIVE) and INACTIVE.

Working (Active) files are procurement that is actively being worked on and are in progress

INACTIVE files are files that have been close-out, completed or Canceled purchase orders for audit purposes. These are archive by fiscal year.

All procurement files are maintained in two modalities: physical file maintained in the Finance Office and electronic file maintained on the NETC Business Office One Drive.

Physical files are kept on Working (ACTIVE) files

Electronic Files are kept on all INACTIVE files and Working (ACTIVE) files

A. Procurement Officer must retain all Electronic copies of all procurement related information in the Procurement Services file under the Business Office One Drive. while the procurement is in process. The Procurement Officer will create the Electronic Folder to house all procurement electronic files at the time of approving the Requisition. The Procurement Officer will train the Accounts Payable Office on scanning and filing all information related to procurement activity. Accounts Payable will be required to scan physical doc to the proper electronic file related to the proper folder for items that are handled through their office. When a Physical Files is moved to INACTIVE, the Procurement Officer will verify all records from the Physical files is available and storage in the electronic file. Accounts Payable Office will have access to Physical File folder in the Business Office to maintain on Working (ACTIVE) files and Working Electronic Files. In order to maintain consistency, the Procurement Officer will not create subfolders to separate solicitations (for example by department or by commodity) and will also follow the naming conventions outlined in this section. Solicitation folders will be maintained at the top level. The Procurement Officer will create an electronic individual folder for each solicitation. The folder will be labeled "GLxxxxxxx MONTH/DATE/ YEAR, NAME OF



NORTHEASTERN TECHNICAL COLLEGE STATEMENT OF PROCEDURE

SOLICITATION, REQUISITION NUMBER". Within this solicitation folder, the Procurement Officer will create four folders labeled "Solicitation Documents," "Evaluation Documents," "Contract Documents," and "FOIA" respectively. Each of these will have a series of subfolders as described below. This Electronic filing system serves as the official Working Procurement File until the official INACTIVE file is stored in Business Office One Drive by Fiscal Year. Physical Working (ACTIVE) Files will duplicate the same filing system as electronic Files.

XIV. Working Procurement File

The Procurement Officer must maintain and review all working procurement files both Physical and on the Business Office One drive in the Procurement Office File for every Working (ACTIVE) solicitation. Procurement Officer must not maintain the working procurement file on their personal network drives or their hard drives. Procurement Officer must also use the established file structure. This is to ensure consistency in documentation and allow for management to monitor progress or respond to inquiries in the event the Procurement Officer is unavailable. The Procurement Office must maintain a Working (Active) physical file in the Business Office with access by the Accounts Payable Office duplicating the same filing system as electronic Files.

XV. Procurement File Content

Procurement files whether Working (ACTIVE) or INACTIVE should contain all relevant documents from submission of the requisition through Contract completion. In the event of a Contract controversy, documentation is essential. The Procurement Officer must ensure that folders contain only pertinent information. Working papers, drafts, and other non-essential documents should be excluded from the official Contract File maintain in the Business office as a Working (ACTIVE) file or moved to an electronic INACTIVE file. A WIP folder is included in the folder structure for these types of documents. Although the contents of the WIP folder are not transferred to the INACTIVE file, contents of this folder are subject to FOIA requests. Procurement Officers will use their judgement regarding what is and what is not pertinent to the Contract. All relevant documents must be included in the appropriate folders.

Below is an outline of the folder structure for each solicitation. General information to be included in each subfolder is listed. Some folders may not contain documents based on the source selection method. Folders may not contain every item listed or may contain additional items, at the discretion of the Procurement Officer:



NORTHEASTERN TECHNICAL COLLEGE STATEMENT OF PROCEDURE

Solicitation Documents Folder (prior to opening date):

- Subfolder – 1 Requisition
 - Business Case (State Term Contracts Only)
 - Brand Name/Make and Model Justification
 - Multi Term Determination
 - Source Selection Determination
 - Determination to cancel solicitation
 - Sole Source Determination (State Term Contracts Only)
 - Exemption Determinations (State Term Contracts Only)
 - Seven Year or greater Contract Request from the requesting entity & approval from CPO or the Authority
 - IT Planning Approval Letter(s)
- Subfolder – 2 Correspondence
 - Material communications with requesting entities
 - Agency approvals to release solicitation/amendments
 - SCBO Ad email
- Subfolder – 3 Public Meetings
 - Notices of Pre-Solicitation, Pre-Submission, or Site Visits
 - Pre-Solicitation, Pre-Submission, or Site Visit Sign-In Sheets
 - Minutes from Pre-Solicitation, Pre-Submission, or Site Visits
- Subfolder – 4 Web Docs
 - Solicitation documents actually posted on the web site:
 - IFB, BVB, FPB, RFP, Request for Qualification, etc.
 - Amendments
 - Attachments
- Subfolder – 5 Protest Docs
 - Any protests of the solicitation or amendments under 11-35-4210(1)(a)
- Subfolder – 6 WIP (Contents of this folder will not be moved to FOIA folder because they are subject to FOIA)
 - The agency's original specifications
 - Any corrections or modifications to the requisition or specifications
 - A list of potential Vendors (if provided by the requesting entity)
 - Service Level Agreement Attachment and any revisions
 - Solicitation drafts
 - Q&A Submitted by Potential Bidders/Offerors
 - Answers Provided by the requesting entity
 - Amendment drafts

Evaluation Documents Folder - (after Opening Date and during Evaluation phase):



NORTHEASTERN TECHNICAL COLLEGE STATEMENT OF PROCEDURE

- Subfolder 1 - Sol Receipt Log
- Subfolder 2 - Correspondence
 - Material communications with agencies/offerors
 - Agency approvals for award/Record of Negotiation
 - Approval to conduct discussions
- Subfolder 3 - Solicitation Responses (Subfolders by Vendor)
 - Offers
 - Redacted versions of offers
 - Discussions – Vendor response
 - Any Bidder/Offeror withdrawal letters and Procurement Officer withdrawal acceptance notifications
 - Bid Corrections
 - RFQ Responses
 - Requests for, and Responses to, Best and Final Offers (BAFOs)
- Subfolder 4 - Public Meetings
 - Notices
 - Agenda(s)
 - Sign-In Sheet(s)
 - Panel Briefing Instructions
 - Signed Panel Documents (Conflict of Interest, Non-Disclosure)
 - Meeting minutes
- Subfolder 5 – Responsibility Checks
 - References
 - Financial Analysis
 - Secretary of State validation
 - Dun & Bradstreet Report
 - Cost & Pricing Analysis
- Subfolder 6 – Tab, Score, and Summary Sheets
 - Bid Tab
 - Preference calculations
 - Evaluator Score Sheet with Explanation
 - Price Calculations/Score Sheet
 - Composite Score Sheet
- Subfolder 7 – Negotiations
 - Final/Executed Record of Negotiations
 - Attachments to RON (if applicable)
- Subfolder 8 – D & F
 - Determinations of Non-Responsibility
 - Non-Responsive Determinations



NORTHEASTERN TECHNICAL COLLEGE STATEMENT OF PROCEDURE

- Any Negotiation Determinations (to move to next Bidder/Offeror or issue a request for BAFOs - not public information prior to award)
 - Determination to Award
- Subfolder 9 - Web Award
 - Award Extensions
 - Statement of Award or Intent to Award as posted on the Internet
 - Stay of Award, Reinstatement of Award, Cancellation of Award
- Subfolder 10 – Protest Documents
 - Any protests of the award under 11-35-4210
 - Documentation of any attempt to resolve
- Subfolder 11 – WIP (Contents of this folder will not be moved to FOIA folder because they are subject to FOIA)
 - Draft versions of RON

Contract Documents Folder - (all Contract Documents after Award)

- Subfolder 1 - Change Orders
- Subfolder 2 - Contract Modifications
- Subfolder 3 - Failure to Perform
- Subfolder 4 - Contract Cancellations
- Subfolder 5 - Contract Assignment
- Subfolder 6 – Insurance Certificates & Bonds
- Subfolder 7 – Performance Metrics
 - Business reviews
 - Reports
- Subfolder 8 – WIP (Contents of this folder will not be moved to FOIA Folder because they are subject to FOIA)
 - Draft contract documents

FOIA Requests Folder (Contents of this folder will not be moved to Electronic Business Office One Drive)

- No Subfolders required – Copies of submitted FOIA requests

XVI. Transferring Electronic Documents

NETC Procurement Officer will verify and move all yearly electronic documents from Working (ACTIVE) completed folders and INACTIVE folders completed in a fiscal year are moved into Business Office One Drive folder and are archived by fiscal year. The Fiscal archived folder The Procurement Officer is responsible for providing Staff with the Document Type and other identifying information for the documents to be transferred.



NORTHEASTERN TECHNICAL COLLEGE STATEMENT OF PROCEDURE

1. At award, if applicable, the Procurement Officer will setup folders as stated in Section 13 of this procedure with solicitation number.
2. The Procurement Officer will verify that the saved documents have not already been entered into a past achieved fiscal folder.
3. The Procurement Officer will move the documents to the Archived fiscal file. For indexing purpose, the Fiscal archived file will be named (20XX fiscal year Procurement: *name of Procurement Officer*) in the Business Office one drive Procurement Office Files. The folder/subfolder will be used to determine document type. The folders/subfolders will be indexed as follows:
 - Solicitation Documents Folder – Based on Subfolders:
 - Subfolder – 1 Requisition – DOCUMENT TYPE: REQUISITION DOCS
 - Subfolder – 2 Correspondence – DOCUMENT TYPE: SOLICITATION DOCS
 - Subfolder – 3 Public Meetings – DOCUMENT TYPE: SOLICITATION DOCS
 - Subfolder – 4 Web Docs– DOCUMENT TYPE: SOLICITATION DOCS
 - These are typically scanned at publication
 - Subfolder – 5 Protest Docs– DOCUMENT TYPE: PROTEST DOCS
 - Subfolder – 6 WIP (Contents of this folder will not be moved electronic file)
 - Evaluation Documents Folder – Based on Subfolders:
 - Subfolder 1 - Sol Receipt Log – DOCUMENT TYPE: RESPONSE DOCS
 - Typically scanned at opening
 - Subfolder 2 - Correspondence – DOCUMENT TYPE: RESPONSE DOCS
 -
 - Subfolder 3 - Solicitation Responses – DOCUMENT TYPE: RESPONSE DOCS
 - Offers typically scanned at opening; additional documents may be scanned later
 - Subfolder 4 - Public Meetings– DOCUMENT TYPE: EVALUATION DOCS
 - Subfolder 5 – Responsibility Checks– DOCUMENT TYPE: EVALUATION DOCS
 - Subfolder 6 – Tab, Score, and Summary Sheets – DOCUMENT TYPE: EVALUATION DOCS
 - Subfolder 7 – Negotiations– DOCUMENT TYPE: RESPONSE DOCS
 - Subfolder 8 – D & F– DOCUMENT TYPE: EVALUATION DOCS
 - Subfolder 9 - Web Award– DOCUMENT TYPE: AWARD DOCS
 - Subfolder 10 – Protest Documents– DOCUMENT TYPE: PROTEST DOCS
 - Subfolder 11 – WIP (Contents of this folder will not be moved to electronic file)



NORTHEASTERN TECHNICAL COLLEGE STATEMENT OF PROCEDURE

- Contract Documents Folder - DOCUMENT TYPE: CONTRACT DOCS
- FOIA Documents Folder (Contents of this folder will not be moved to electronic file)

XVII. Scanning of Hard Copy Documents into Business Office One Drive Working (ACTIVE) or INACTIVE folders.

The Procurement Officer will scan all hard copy procurements into electronic business office one drive files. The Procurement Officer is responsible for setting-up the Document Type and other identifying information for the documents to be scanned.

1. The Procurement Officer must complete a Scanning Cover Sheet for each solicitation which has documents that require scanning. The Procurement Officer may use a single Scanning Cover Sheet for multiple documents.
2. The Procurement Officer must complete the following information on the Scanning Cover Sheet – Solicitation Number, Description, Requisition Number, & Buyer. The Procurement Officer may also enter the Contract Number and Vendor Number when applicable.
3. The Procurement Officer will check the appropriate document type on the Scanning Cover Sheet. Procurement Officer will use the provided information when indexing the scanned documents. When submitting multiple documents for scanning, the Procurement Officer will identify each document type with a number on the Scanning Cover Sheet. The Procurement Officer will write the number on the top right corner of the document to be scanned (see the attached example).
4. Procurement Officer will verify that the provided documents have not already been entered into Business Office One Drive Folder. If the documents have not been entered, Procurement Officer will scan the documents into Business Office One Drive Folder and index the documents based on the information provided on the Scanning Cover Sheet by the Procurement Officer. After documents have been entered and indexed in Business Office One Drive Folder, the Procurement Officer will shred the hard copy documents.
5. The Procurement Officer may submit documents to the Business Office One Drive Folder for scanning at any time. It is not necessary to wait for the award posting date to have documents scanned. For example, the



NORTHEASTERN TECHNICAL COLLEGE STATEMENT OF PROCEDURE

Procurement Officer may submit the Panel Documents to the Working File after the Charging Meeting and then submit the Score Sheets after the Evaluation Meeting.

6. When Folders are moved to archived file, all cover sheets can be removed from the file and a new coversheet will be added to the archived file with the same information as stated in (item 2) and total page numbers of that folder as stated in item 3. The statement is at the top of the cover page stating:

“Folder reviewed by (*Procurement Officer Name*) and complete paperwork on **XX/XX/XXXX** in compliance with Northeastern Technical College Procurement XXXXXXXX

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF November 9, 2022

ITEM NUMBER 7

AGENCY: Clemson University

SUBJECT: Not Exceeding \$54,000,000 Clemson University, Higher Education Revenue Bonds, Series 2022

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$54,000,000 Clemson University, Higher Education Revenue Bonds, Series 2022.

The proceeds of the bonds will defray the costs to construct, reconstruct, renovate, and equip certain student housing facilities on the campus of the University, including a portion of the Bryan Mall high-rise residence halls, and related infrastructure and improvements.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$54,000,000 Clemson University, Higher Education Revenue Bonds, Series 2022.

ATTACHMENTS:

Pope 10/26/2022 letter with attachments; NDIF; SFAA Resolution



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 11/09/22

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H12 Issuer: Clemson University Series: 2023

Borrower (if not Issuer):

Bond Caption: Higher Education Revenue Bonds

Bond Resolution Amount: \$ 54,000,000 Est. Production/Par Amt: \$ 48,370,000

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

Submitted By:

ENTITY: Clemson University

BY: Rick Petillo

ITS: Chief Financial Officer

Tel: 864-656-2591

Email: rpetill@clemson.edu

Final Production/Par Amt: \$ -

Transaction Type/Method of Sale:☒ Public Offering: Competitive: Negotiated:☐ Direct Placement: Competitive: Negotiated:☐ Governmental Loan/Governmental Purchaser☒ Other: Competitive vs Negotiated - TBD

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

Y

MSRB (EMMA) Continuing Disclosure Responsible Party:

Clemson University

2. FINANCING (NEW PORTION)

Project #: H12-9953 Project Name: Bryan Mall

Project Address/Location: Main Campus, Clemson University

Amount: \$ 48,370,000

Project Type: Auxiliary Housing Revenue

County: Pickens

Projected Avg Interest Rate: 4.30%

Final Maturity: 05/01/53

3. FINANCING (REFUNDED PORTION)

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

4. FINANCING WORKING GROUP

Financial Advisor: PFM Financial Advisors, LLC

Disclosure Counsel: Howell Linkous

Bond Counsel: Pope Flynn, LLC

Issuer's Counsel: Chip Hood

Underwriter: TBD

Trustee: N/A

Paying Agent: US Bank

Other: N/A

5. FINANCING/PROJECT DESCRIPTION

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

The bonds will provide proceeds necessary to defray the costs of renovating Bryan Mall high rises, which contain about 1,450 beds in a small footprint that would be hard to replace. The renovations include updating the current electrical systems, roof, fire sprinklers and HVAC, making the current housing compliant with current code requirements. The plan will also update the interior to modern student preferences and improving the courtyard. 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:	07/22/22	Adopted
JBRC Approval:	10/18/22	Proposed
SFAA Approval:	11/09/22	Proposed

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	07/22/22	Adopted
JBRC Approval:	10/18/22	Proposed
SFAA Approval:	11/01/22	Proposed

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes No

☐ ☒

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

☐ ☒

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
\$ 11,815,248	6/30/2024	Costs of issuance and reimbursement for project costs
6,282,000	6/30/2024	project costs
7,329,000	6/30/2025	project costs
6,282,000	6/30/2025	project costs
13,611,000	6/30/2026	project costs
7,811,472	6/30/2027	project costs
\$ 53,130,720		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 48,370,000	\$ 52,350,000	Project Fund
(b) Premium/Accr. Int.	4,760,720	-	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	-	780,720	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	-	-	Accrued Interest
Type -	-	-	Other
Type -	-	-	Other
(6) SCHFPA MFHRB Sources	-	-	Other
(a) LIHTC	-	-	Other
(a) State Housing TC	-	-	Other
(c) Owner's Equity/Other	-	-	Other
Total Project Sources	\$ 53,130,720	\$ 53,130,720	Total Project Uses

Surplus/Deficit

\$

9. ESTIMATED/ACTUAL BOND COI EXPENDITURES (** Added COI entities beyond the following need an attached description **)

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	PFM Financial Advisors			\$ 72,555	\$ -	\$ 72,555
Bond Counsel	Pope Flynn, LLC			48,370	-	48,370
Disclosure Counsel	Howell Linkous & Nettles			25,000	-	25,000
Issuer's Counsel	Chip Hood			-	-	-
Underwriter's Counsel	N/A			-	-	-
Transaction Counsel	N/A			-	-	-
Legal Expenses				-	-	-
				-	-	-
Rating Agency - S&P				-	-	-
Rating Agency - Moody's				63,860	-	63,860
Rating Agency - Fitch				37,080	-	37,080
Underwriter's Compensation	TBD - Competitive			483,700	-	483,700
Registrar / Paying Agent	U.S. Bank National Assoc.			15,000	-	15,000
Escrow Agent				-	-	-
Accountant	Elliot Davis			5,000	-	5,000
Verification Agent				-	-	-
Printing	ImageMaster			5,150	-	5,150
Publishing	IPREO			1,545	-	1,545
Advertising	Bond Buyer			2,369	-	2,369
Contingency				21,091	-	21,091
Issuer's Fee	SC JEDA / SC SHFPA			-	-	-
				\$ 780,720	\$ -	\$ 780,720

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

Financial Advisor: % of Transaction

Bond Counsel: % of Transaction

Total Legal Costs: % of Transaction

Rating Agencies: % of Transaction

0.15%	#DIV/0!
0.10%	#DIV/0!
0.15%	#DIV/0!
0.21%	#DIV/0!

UW Comp: % of Transaction

Other COI: % of Transaction

Total COI: % of Transaction

1.00%	#DIV/0!
0.10%	#DIV/0!
1.61%	#DIV/0!



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

MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

October 26, 2022

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

Re: Not Exceeding \$54,000,000 Clemson University, South Carolina Higher Education Revenue Bonds, Series 2022

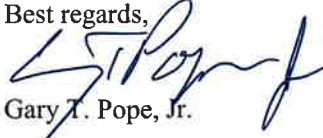
Dear Delbert:

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 November 9, 2022, we respectfully enclose the following for consideration by the Authority:

1. A copy of a bond resolution dated December 1, 1997, of the Board of Trustees of Clemson University (the "University") providing for the issuance of revenue bonds of Clemson University;
2. A copy of a series resolution adopted by the Board of Trustees of the University on July 22, 2022, authorizing the issuance of the 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, Chief Financial Officer, Clemson University
Robert Macdonald, 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: 10/26/2022

**Submitted for SFAA Meeting
on:** 11/9/2022

FROM: Pope Flynn, LLC

1411 Gervais Street, Suite 300
P.O. Box 11509
Columbia, SC 29211

RE: N/E \$54,000,000 of Clemson University Higher Education Revenue Bonds, Series 2022

Project Name: Bryan Mall High Rise Renovations.

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

A RESOLUTION

PROVIDING FOR THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF HIGHER EDUCATION REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING FIFTY-FOUR MILLION DOLLARS (\$54,000,000), AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO.

2022 SERIES RESOLUTION

July 22, 2022

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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 "2022 Series Resolution"), and the issuance of the Higher Education 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 previously made general provision for the issuance from time to time of Higher Education Revenue Bonds of the University (the "Bonds") through the means of a bond resolution adopted on December 1, 1997, entitled "RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF 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 providing funds for the financing or refinancing of the costs of the acquisition, construction, reconstruction, renovation and improvement of the Facilities, to refund Bonds payable from the Net Revenues and the Additional Funds, to fund the Debt Service Reserve Fund, if any, established for the benefit of Bondholders, and to pay costs of issuance.

(C) The Board of Trustees has now determined that a current need exists to construct, reconstruct, renovate, and equip certain student housing facilities on the campus of the University, including a portion of the Bryan Mall high-rise residence halls, and related infrastructure and improvements (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 2022 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 2022 Series Resolution as such terms are given in the Bond Resolution.

(B) In addition, as used in this 2022 Series Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“2022 Series Resolution” means this 2022 Series Resolution and any supplements or amendments thereto.

“Bond Payment Date” means each May 1 and November 1 on which interest on any Series 2022 Bonds shall be payable or on which both a principal installment and interest on the Series 2022 Bonds shall be payable.

“Bond Resolution” means the resolution adopted by the Board of Trustees on December 1, 1997, entitled “RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO,” as supplemented or amended by this 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 Bonds” means Bonds, in one or more Series, of the University authorized and issued pursuant to the Enabling Act, the Bond Resolution, and this 2022 Series Resolution.

“Series 2022 Construction Fund” means the fund of that name to be established pursuant to Section 4.04 hereof.

“Series 2022 Costs of Issuance Fund” means the fund of that name to be established pursuant to Section 4.05 hereof.

“Series 2022 Debt Service Fund” means the Debt Service Fund for the Series 2022 Bonds created pursuant to Section 4.02 hereof.

“Series 2022 Notes” means the Higher Education 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 2022 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 2022 Series Resolution.

This 2022 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 2022 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 the aggregate principal amount not exceeding \$54,000,000. Subject to the provisions of paragraph (B) of this Section, such Series of Bonds shall be designated "Clemson University, South Carolina Higher Education Revenue Bonds, Series 2022."

(B) Notwithstanding anything in this 2022 Series Resolution to the contrary, the "Series" designation of the Series 2022 Bonds authorized herein may, prior to the sale thereof, be changed from "2022" 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 2022 Bonds are authorized for the purposes of:

- (1) reimbursing the University for capital expenditures previously made in connection with, and paying the costs of, the Project;
- (2) paying the principal of and interest on any Series 2022 Notes whether at maturity or early redemption; and
- (3) paying certain costs and expenses related to the issuance of the Series 2022 Bonds, including paying the costs of 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 2022 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 \$54,000,000 in aggregate principal amount.

Section 3.04 Maturity Schedule; Interest Payment Dates.

The Series 2022 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 2022 Bonds shall occur no later than that allowed pursuant to the Enabling Act. The Series 2022 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 2022 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 payment of the principal thereof. The interest payable on any Bond Payment Date

will be paid to the persons in whose name the Series 2022 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 2022 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 2022 Bonds, it shall give notice in accordance with the provisions of the Bond Resolution and this 2022 Series Resolution. Such notice shall specify the date fixed for redemption and the amount and maturities of the Series 2022 Bonds which are to be redeemed.

Section 3.06 Mandatory Sinking Fund Redemption.

(A) Certain of the Series 2022 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 2022 Bonds of such Series shall be Serial Bonds and no Series 2022 Bonds shall be Capital Appreciation Bonds.

(B) If a portion of the Series 2022 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 2022 Bonds so designated for mandatory redemption on the applicable Sinking Fund Date.

(C) The University, at its option, to be exercised prior to the forty-fifth (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 forty-fifth (45th) day to the purchase of Series 2022 Bonds which are subject to mandatory redemption, or

(2) deliver any principal amount of Series 2022 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 2022 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

2022 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 2022 Bonds maturing on such Sinking Fund Date or returned to the Trustee for the benefit of the University. The Series 2022 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 2022 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 2022 Bonds are to be redeemed pursuant to any section of this 2022 Series Resolution, the Series and maturities of the Series 2022 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 2022 Bonds shall bear such rate or rates of interest as shall at the sale of such Series 2022 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 2022 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 2022 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 2022 Bonds shall apply.

Section 3.09 Authentication; Payment of Interest.

(A) Each of the Series 2022 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 2022 Bonds shall be paid by check or draft mailed from the office of the Paying Agent to the person in whose name the Series 2022 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 2022 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 2022 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 2022 Bonds shall be issued in the denomination of \$5,000 or any multiple thereof, not exceeding the principal amount of the Series 2022 Bonds maturing in such year. Each Series 2022 Bond shall be numbered by the Registrar in such a fashion as to reflect the fact that it is one of the Series 2022 Bonds, and to identify the Holder thereof on the books kept by the Registrar. The initial maturity of the Series 2022 Bonds shall be numbered R-1, and thereafter sequentially "R-" numbered for identification.

Section 3.11 Appointment of Trustee; Maintenance of Paying Agent and Registrar.

(A) The State Treasurer is hereby appointed to act as Trustee under this 2022 Series Resolution. The State Treasurer shall signify its acceptance of the duties of the Trustee under this 2022 Series Resolution and the Bond Resolution upon delivery of the Series 2022 Bonds.

(B) As long as any Series 2022 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 2022 Bonds shall be presented for payment, and notices and demands to or upon the Trustee and the University in respect to the Series 2022 Bonds may be served, at the Corporate Trust Office of the Paying Agent. The Series 2022 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 3.12 Form of Bonds.

The Series 2022 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 2022 Bonds in accordance with the Bond Resolution and delivery of such Series 2022 Bonds being conclusive evidence of the approval of such changes, modifications, and amendments.

Section 3.13 Execution.

The Series 2022 Bonds shall be executed and authenticated in accordance with the applicable provisions of the Bond Resolution.

Section 3.14 No Recourse.

All covenants, stipulations, promises, agreements, and obligations of the University contained in the Bond Resolution or in this 2022 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 2022 Bonds or for any claim based thereon or on the Bond Resolution or on this 2022 Series Resolution, either jointly or severally, against any officer or employee of the University or any person executing the Series 2022 Bonds.

Section 3.15 Book-Entry System.

Unless otherwise determined by the Chief Financial Officer and the State Treasurer prior to the publication of the Official Notice of Sale, the Series 2022 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 2022 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 2022 Bonds or any multiple of \$5,000, with each increment of \$5,000 being separately of a single maturity.

The Series 2022 Bonds shall be issued in fully registered form, one certificate for each of the maturities of the Series 2022 Bonds, in the name of Cede & Co., as Depository Nominee. When any principal of, premium, if any, or interest on the Series 2022 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 2022 Bonds so registered for all purposes of this 2022 Series Resolution, including, without limitation, payments as aforesaid and receipt of notices and exercise of rights of Series 2022 Bond owners.

If the book-entry system of transfer is maintained for the Series 2022 Bonds, the Trustee shall notify the Depository of any notice of redemption required to be given pursuant to this 2022 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 2022 Bonds, and the Participants and persons acting through Participants are expected to maintain records of the Beneficial Owners in the Series 2022 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 2022 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 2022 Bonds together with an assignment duly executed by the Depository, the University shall execute and deliver to the successor depository, Series 2022 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 2022 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 2022 Bonds by mailing an appropriate notice to the Depository, upon receipt by the University of the Series 2022 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 2022 Bonds in fully registered form, in substantially the form set forth in this 2022 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 2022 Bonds, prior to the sale thereof, which shall remain such so long as the Series 2022 Bonds are maintained in the book-entry system.

Section 3.16 No Reserve Requirement and Required Finding.

No Reserve Requirement shall be established in connection with the Series 2022 Bonds. 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 2022 Bonds.

[End of Article III]

ARTICLE IV
DISPOSITION OF PROCEEDS

Section 4.01 Disposition of Proceeds of Series 2022 Bonds.

(A) Upon the delivery of any Series 2022 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 reimburse or defray Project costs shall be deposited in the Series 2022 Construction Fund;
- (2) the amount necessary to pay the principal of and interest on any Series 2022 Notes, whether at maturity or early redemption, shall be applied to such purpose; and
- (3) all remaining amounts shall be deposited to the Series 2022 Costs of Issuance Fund to defray the costs of issuance of the Series 2022 Bonds, including costs of credit enhancement therefor, if any.

(B) Neither the purchaser of the Series 2022 Bonds nor any Holder of the Series 2022 Bonds shall be liable for the proper application of the proceeds of the Series 2022 Bonds.

Section 4.02 Establishment and Funding of Series 2022 Debt Service Fund.

The Board of Trustees hereby establishes the Series 2022 Debt Service Fund pursuant to and for the purposes set forth in Section 7.03 of the Bond Resolution.

Section 4.03 No Series 2022 Debt Service Reserve Fund.

No debt service reserve fund shall be established in connection with the Series 2022 Bonds.

Section 4.04 Establishment and Funding of Series 2022 Construction Fund.

There is hereby established, in accordance with Section 7.07 of the Bond Resolution, the Series 2022 Construction Fund. There shall be paid into the Series 2022 Construction Fund those certain sums as prescribed under Section 4.01(A)(1) hereof. The Series 2022 Construction Fund shall be held, maintained, and controlled by the Trustee.

Moneys in the Series 2022 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 2022 Construction Fund. Withdrawals from the Series 2022 Construction Fund shall be made upon written order of the University. Any amounts remaining in the Series 2022 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 2022 Costs of Issuance Fund.

There is hereby established to provide for the disposition of funds to pay the costs of issuance of the Series 2022 Bonds, in accordance with Paragraph (14) of Section 4.01 of the Bond Resolution, the Series 2022 Costs of Issuance Fund, to be held, maintained, and controlled by the Trustee. Disbursements shall be made at the request of the Chief Financial Officer. The costs of issuance of the Series 2022 Bonds, including any credit enhancement therefor (including a Municipal Bond Insurance Policy), shall be paid therefrom. Six months following the date of delivery of the Series 2022 Bonds, or on such earlier date as all applicable costs of issuance have been paid, all remaining sums shall be transferred to the Series 2022 Debt Service Fund or otherwise applied in a manner consistent with the disposition of surplus moneys in the Series 2022 Construction Fund.

[End of Article IV]

ARTICLE V

AUTHORIZATION TO SELL AND AWARD THE SERIES 2022 BONDS

Section 5.01 Manner of Sale.

(A) The Series 2022 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 2022 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 2022 Bonds are to be sold pursuant to negotiation, such Series 2022 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 2022 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 2022 Bonds and, subsequent to the sale of the Series 2022 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 2022 Bonds.

If sold pursuant to a public sale, upon receipt of bids for the Series 2022 Bonds, the Chief Financial Officer and the State Treasurer shall, and they are hereby authorized to, award the Series 2022 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 2022 NOTES

Section 6.01 Authority to Issue Series 2022 Notes; Board of Trustees Approval of Amount.

If the Chief Financial Officer and the State Treasurer should determine that issuance of Series 2022 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 2022 Notes pursuant to the Note Enabling Act. If Series 2022 Notes are issued and if, upon the maturity thereof the Chief Financial Officer and the State Treasurer should determine that renewal or refunding Series 2022 Notes would be in the best interest of the University, they are authorized to continue the issuance of Series 2022 Notes until the Chief Financial Officer and the State Treasurer determine to issue Series 2022 Bonds on the basis as aforesaid, and such Series 2022 Bonds are issued. The aggregate stated principal amount of all Series 2022 Notes outstanding from time to time shall not exceed \$54,000,000.

The proceeds of any Series 2022 Notes issued hereunder shall be applied for the purpose for which proceeds of the Series 2022 Bonds may be applied, to provide for the renewal or refunding of any Series 2022 Notes, or to provide for the costs of issuance thereof, or any combination thereof.

Section 6.02 Details of Series 2022 Notes.

Subject to changes in terms required for any particular issue of Series 2022 Notes, the Series 2022 Notes and additional series of notes, if any, shall be subject to the following particulars:

(A) The Series 2022 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 2022 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 2022 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 2022 Notes, prior to the sale thereof. The Series 2022 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 2022 Notes shall bear such rate or rates of interest as shall at the sale of Series 2022 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 2022 Notes shall apply; and
- (3) no rate of interest shall exceed 4% per annum.

(D) (1) The Series 2022 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 2022 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 2022 Notes and, subsequent to the sale of the Series 2022 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 2022 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 2022 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 2022 Notes shall state on their face that they are issued in anticipation of the issuance of the Series 2022 Bonds and are payable, both as to principal and interest, from the proceeds thereof.

(F) The Series 2022 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 2022 Note is mutilated, lost, stolen or destroyed, the University may execute a new Series 2022 Note of like date and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Series 2022 Notes, such mutilated Series 2022 Note shall first be surrendered to the University or to its designated agent,

and in the case of any lost, stolen or destroyed Series 2022 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 2022 Note shall have matured, instead of issuing a duplicate Series 2022 Note, the University may pay the same without surrender thereof. The University or its agent may charge the holder of such Series 2022 Note with its reasonable fees and expenses in this connection.

(H) Any Series 2022 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 2022 Note, the Note Registrar shall issue, subject to the provisions of Paragraph (I) below, in the name of the transferee, a new Series 2022 Note or Series 2022 Notes of the same aggregate principal amount as the unpaid principal amount of the surrendered Series 2022 Note or Series 2022 Notes. Any holder of a Series 2022 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 2022 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 2022 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 2022 Note to the extent of the sum or sums so paid.

(I) Series 2022 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 2022 Note or his duly authorized attorney, may, at the option of the holder of the Series 2022 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 2022 Notes in fully registered form of any other authorized denomination equal to the unpaid principal amount of surrendered Series 2022 Notes.

(J) In all cases in which the privilege of exchanging or transferring Series 2022 Notes in fully registered form is exercised, the University shall execute and deliver Series 2022 Notes in accordance with the provisions hereof. All Series 2022 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 2022 Note for such exchange or transfer of Series 2022 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 2022 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 2022 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 2022 Notes.

For the payment of the Series 2022 Notes, there are hereby pledged the proceeds derived from the sale of the Series 2022 Bonds issued pursuant to this 2022 Series Resolution or if such Series 2022 Bonds are not issued prior to the maturity of the Series 2022 Notes, from the sale, issuance and delivery of renewal or refunding Series 2022 Notes. The proceeds of such Series 2022 Bonds, when received by the University, shall be applied first to the payment of principal of and interest on the Series 2022 Notes. The University shall either issue such Series 2022 Bonds and apply the proceeds to the redemption of the Series 2022 Notes or shall provide funds therefor from other sources, including the issuance of renewal or refunding Series 2022 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 2022 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 2022 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 2022 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 2022 Bonds will be owned by the University or another Governmental Unit so long as the Series 2022 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 2022 Bonds, or any Bonds refunded thereby, in any manner that would result in (i) ten percent (10%) 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 (5%) 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 (5%) 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 2022 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 2022 Bonds.
- (5) The Series 2022 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 2022 Bonds shall be made which, if such use had been reasonably expected on the Date of Issue of such Series 2022 Bonds would have caused Series 2022 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 2022 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 2022 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 2022 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 2022 Bonds. To that end, the Board of Trustees determines and declares as follows:

- (1) No funds from any sources other than the Series 2022 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 2022 Bonds;

- (2) The University reasonably expects that all or a portion of the expenditures incurred for the Project and the issuance of the Series 2022 Bonds will be paid prior to the issuance of the Series 2022 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 2022 Bonds from the proceeds of the Series 2022 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 2022 Bonds will be for costs incurred in connection with the issuance of the Series 2022 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 2022 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 2022 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 thirty (30) days of the receipt of the audit; and
- (2) Event specific information within thirty days of an event adversely affecting more than five percent of the revenues of the Facilities.

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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 Bonds Issued as Multiple Series.

In the event Series 2022 Bonds are sold in more than one Series, separate funds and accounts shall be created and maintained for each Series of Series 2022 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 2022 Series Resolution to the contrary, in the event that Series 2022 Bonds are sold in more than one Series, all references in this 2022 Series Resolution to Series 2022 Bonds shall, as the context may require, be read as referring to the applicable Series of Series 2022 Bonds.

Section 8.05 Combining of Series 2022 Bonds and Previously Authorized Bonds.

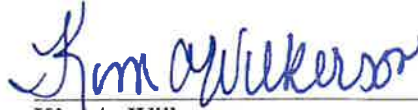
Notwithstanding anything contained in this 2022 Series Resolution to the contrary, if so determined by the Chief Financial Officer and the State Treasurer, in their discretion and upon the determination that it would be in the best interest of the University, the Series 2022 Bonds may be combined with any other Bonds of the University for sale. If the Chief Financial Officer and the State Treasurer deem it prudent, Series 2022 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 22nd day of July 2022.

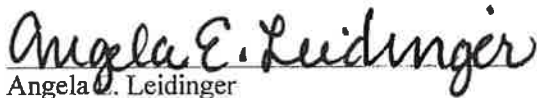
CLEMSON UNIVERSITY, SOUTH CAROLINA

(SEAL)



Kim A. Wilkerson
Chair of the Board of Trustees

Attest:



Angela E. Leidinger
Executive Secretary to the Board of Trustees

FORM OF BOND

CLEMSON UNIVERSITY, SOUTH CAROLINA
HIGHER EDUCATION REVENUE BOND
SERIES 2022

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 Series 2022 Bond (this "bond") be subject to redemption and shall have been redeemed prior thereto as hereinafter provided,] upon presentation and surrender of this Series 2022 Bond (this "bond") at the Corporate Trust Office of _____ in the City 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 sum shall be discharged.

This bond bears interest from the May 1 or the November 1 to which interest has been paid next preceding the authentication date hereof, unless the authentication date hereof is a May 1 or a November 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; this bond will bear interest from [dated date]. Interest on this bond is payable on May 1 and November 1 of each year beginning _____ 1, 20___. The interest so payable on any May 1 or November 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 April or on the 15th day of the October next preceding such May 1 or November 1, respectively.

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 at the address shown on the registration books. 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 Bonds dated ____ 1, 20__ (the "Series 2022 Bonds") in the aggregate principal amount of _____ Dollars (\$ _____) 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 Chapter 147, Title 59, Code of Laws of South Carolina 1976, as the same may be amended from time to time (the "Enabling Act"), and a bond resolution dated December 1, 1997, and a series resolution dated July 21, 2022, duly adopted by the Board of Trustees of Clemson University (together, the "Resolution"), for the purpose of providing funds (i) to defray the costs of the Project (as defined in the Resolution), (ii) to pay certain costs of issuance of the Series 2022 Bonds.

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.

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 the Series 2022 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 Series Resolution), beneficial ownership of the Series 2022 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.

Both the principal of and interest on this bond, as the same shall become due, are payable solely from the Net Revenues and Additional Funds. 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 2022 BONDS. THE UNIVERSITY IS NOT OBLIGATED TO PAY THIS BOND, OR THE INTEREST HEREON, SAVE AND EXCEPT FROM NET REVENUES AND THE ADDITIONAL FUNDS.

The Resolution authorizes the issuance of additional bonds ("Additional Bonds") on a parity with the Series 2022 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 _____ Higher Education Revenue Bonds, Series ____ (collectively, the "Bonds").

The University has covenanted in the Resolution to continuously operate and maintain the Facilities and to fix and maintain such rates for the use of the Facilities as shall at all times be sufficient, together with the receipts of Additional Funds, to (a) provide for the payment of the expenses of the administration, operation and maintenance of the Facilities as may be necessary to preserve the same in good repair and condition, (b) maintain the Debt Service Funds and thus

provide for the punctual payment of the principal of and interest on the Bonds, (c) maintain any Debt Service Reserve Fund in the manner therein prescribed, (d) provide for the payment of any Junior Lien Bonds that may from time to time be Outstanding, (e) build and maintain a reserve for contingencies and for improvements, renovations and expansions of the Facilities other than those necessary to maintain the same in good repair and condition, (f) pay all amounts owing under a reimbursement agreement with any provider of a debt service reserve fund funding substitute as contemplated under the Resolution, and (g) discharge all obligations imposed by the Enabling Act and the Resolution.

The Resolution provides that, in addition to other remedies, upon a default in payment of principal of or interest on any Bond, 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 2022 Bonds are not callable for redemption prior to May 1, ____.]

[The Series 2022 Bonds maturing after May 1, ____ may be redeemed prior to their respective maturities at the option of the University on and after May 1, ____, in whole or in part at any time at the following redemption prices (expressed as percentages of the principal amount to be redeemed) plus interest accrued to the date fixed for redemption:

<u>Period During Which Redeemed</u> <u>(Both Dates Inclusive)</u>	<u>Redemption Price</u>
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The Series 2022 Bonds maturing in the year ____ are subject to mandatory redemption in part (to be selected by lot by the Registrar in the manner provided in the Resolution), at the principal amount thereof plus interest accrued to the redemption date, on the dates and in the principal amounts set forth below:

<u>May 1</u> <u>of the Year</u>	<u>Requirement</u>	<u>May 1</u> <u>of the Year</u>	<u>Requirement</u>
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*Final Maturity.

The amount of the mandatory sinking fund redemptions prescribed above shall be reduced to the extent Series 2022 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 less than all of the Series 2022 Bonds are to be redeemed, the particular Series 2022 Bonds to be redeemed shall be in such order of maturity as selected by the University. In the event of redemption of less than all of the Series 2022 Bonds of any maturity, the Series 2022 Bonds or portions of Bonds of such maturity to be redeemed shall be selected by the Registrar by lot. Series 2022 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.]

[If any of the Series 2022 Bonds, or portions thereof, are called for redemption, the Trustee shall cause the Registrar to give notice to the Paying Agent and to the Holders of any such Series 2022 Bonds to be redeemed, in the name of the University, of the redemption of such Series 2022 Bonds, or portions thereof, which notice will specify the Series 2022 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 2022 Bonds are to be redeemed, the numbers of such Series 2022 Bonds so to be redeemed, and, in the case of Series 2022 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, postage prepaid, not less than thirty nor more than sixty days prior to the date fixed for redemption to any Paying Agent or Agents and the Holder of each Series 2022 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 2022 Bond, shall not affect the validity of the proceedings for the redemption of any other Series 2022 Bond. Provided funds for their redemption are on deposit with the Trustee or any Paying Agent, all Series 2022 Bonds so called for redemption will cease to bear interest on the specified redemption date and shall no longer be deemed to be Outstanding.]

The Series 2022 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 2022 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 2022 Bond or Series 2022 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 2022 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 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 of the Board of Trustees

Attest:

Angela E. Leidingner
Executive Secretary to the Board of Trustees

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: _____, 2022

(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 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 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 FACILITIES—Description of the Facilities;
- (ii) SUMMARY OF NET REVENUES;
- (iii) TUITION AND FEES—University Fee Receipts;
- (iv) THE UNIVERSITY AND ITS OPERATIONS; GENERAL FINANCIAL INFORMATION—Summary of Current Funds Revenues, Expenditures, and Changes in Fund Balance;
- (v) THE UNIVERSITY AND ITS OPERATIONS; GENERAL FINANCIAL INFORMATION— Budget for Fiscal Year 201_-1_;
- (vi) OUTSTANDING DEBT OF THE UNIVERSITY—Debt Service Coverage; and
- (vii) OUTSTANDING DEBT OF THE UNIVERSITY—Composite Debt Service.]

(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 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.

[Remainder of page intentionally left blank.]

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:	Higher Education Revenue Bonds, Series 20__
Date of Issuance:	_____, 20__
Date of Official Statement	_____, 20__

CUSIP Numbers:

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

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 _____].

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Issuer

B-16

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 2022

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 2022 Note, which is one of an issue of \$ _____ aggregate principal amount of Higher Education Revenue Bond Anticipation Notes, Series 2022, of the University (the "Series 2022 Notes"), 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 147 of the Code of Laws of South Carolina 1976, as amended (the "Bond Enabling Act"); a bond resolution dated December 1, 1997 (the "Bond Resolution"), and a series resolution dated July 21, 2022, duly adopted by the Board of Trustees of Clemson University (the "Series Resolution", and together with the Bond Resolution, the "Resolution"). This Series 2022 Note is payable, both as to principal and interest, from the proceeds of the Series 2022 Bonds authorized to be issued under the Resolution, or if said Series 2022 Bonds are not issued prior to the maturity of the Series 2022 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 2022 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 2022 Note, when due, shall be payable upon presentation and surrender of this Series 2022 Note at the principal office of _____, in the City of _____, State of _____, as Paying Agent.

This Series 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 Note against the University. Notwithstanding the foregoing, nothing herein shall limit the rights of a person having a beneficial interest in this Series 2022 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 2022 Note.

[This Series 2022 Note is not subject to redemption prior to maturity.]

This Series 2022 Note is a special obligation of the University and there are hereby pledged to the payment of this Series 2022 Note, both principal and interest, when due, the proceeds of the Series 2022 Bonds or if the Series 2022 Bonds are not issued prior to the maturity of the Series 2022 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 2022 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 2022 Note. The Board of Trustees agree that the University will issue no further bond anticipation notes in anticipation of the issuance of the Series 2022 Bonds.

This Series 2022 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 2022 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 2022 Note, do exist, have happened, and have been performed in regular and due time, form, and manner; that the amount of this Series 2022 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 2022 Bonds in anticipation of which this Series 2022 Note is issued.

IN WITNESS WHEREOF, the University has caused this Series 2022 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)

Chair, Board of Trustees

Attest:

By: _____
Executive Secretary, Board of Trustees

STATE OF SOUTH CAROLINA

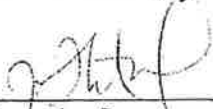
COUNTY OF PICKENS

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 the Bond Resolution adopted by said Board at a meeting duly called and held on December 1, 1997, 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 26th day of August, 2003.



Executive Secretary to the Board of Trustees of
Clemson University

RESOLUTION

PROVIDING FOR THE ISSUANCE AND SALE OF
REVENUE BONDS OF CLEMSON UNIVERSITY,
SOUTH CAROLINA,
AND OTHER MATTERS RELATING THERETO.

Approved by Board of Trustees of Clemson University, South Carolina
December 1, 1997

BOND RESOLUTION OF 1997

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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. Recitals and Statement of Purpose.

Incident to the adoption of this resolution (hereinafter, the "Bond Resolution") the Board of Trustees (the "Board of Trustees") of Clemson University, South Carolina (the "University") finds as a fact that each statement 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. The University is under the management and control of the Board of Trustees, comprised in the manner prescribed by Section 59-119-40 of the State Code, as amended.

D. The general powers of the Board of Trustees are set forth in Section 59-119-50 of the State Code, as amended.

E. On May 7, 1996, Act No. 302, which amended Title 59 of the State Code by adding Chapter 147, entitled the Higher Education Revenue Bond Act (the "Enabling Act"), became law without the signature of the Governor of the State.

F. The Board of Trustees is authorized by the Enabling Act to issue, from time to time, revenue bonds of the University for the purpose of financing or refinancing in whole or in part the cost of the acquisition, construction, reconstruction, renovation and improvement of land, buildings and other improvements to real property and equipment for the purpose of providing facilities serving the needs of the University including, but not limited to, dormitories, apartment buildings, dwelling houses, bookstores and other stores operated by the University, laundry, dining halls, cafeterias, parking facilities, student recreational, entertainment and fitness related facilities, inns, conference and other nondegree educational facilities and similar auxiliary facilities of the University and other facilities which are auxiliary to any of the foregoing, excluding, however, athletic

department projects which primarily serve varsity athletic teams of the University. The University is also authorized to issue revenue bonds pursuant to the provisions of Article 9 of Chapter 119 of Title 59 of the State Code (authorizing Athletic Facilities Revenue Bonds) and thus all facilities and improvements financed pursuant to the authorizations set forth in said Article 9 also do not constitute Facilities as such are defined herein.

G. Prior to the enactment of the Enabling Act, the University had primarily raised the moneys necessary to construct and renovate those facilities described in the Enabling Act by the issuance of Auxiliary Facilities Revenue Bonds, Student and Faculty Housing Revenue Bonds and Parking Facilities Revenue Bonds. To such end, the University has heretofore issued and presently has outstanding the following issues (collectively, the "Refunded Bonds"):

1. the now outstanding \$3,270,000 of an original issue of \$4,000,000 Auxiliary Facilities Revenue Bonds, Series 1991, dated June 1, 1991 (the "Series 1991 Bonds");
2. the now outstanding \$4,350,000 of an original issue of \$14,865,000 Student and Faculty Housing Refunding Revenue Bonds, Series K, dated May 1, 1988 (the "Series K Bonds");
3. the now outstanding \$5,850,000 of an original issue of \$7,755,000 Student and Faculty Housing Revenue Bonds, Series L, dated June 1, 1989 (the "Series L Bonds");
4. the now outstanding \$14,835,000 of an original issue of \$14,840,000 Student and Faculty Housing Revenue Bonds, Series M, dated December 1, 1991 (the "Series M Bonds"); and
5. the now outstanding \$455,000 of an original issue of \$610,000 Parking Facilities Revenue Bonds, Series 1994, dated June 1, 1994 (the "Series 1994 Bonds").

H. The Board of Trustees has been advised that it is in the interest of the University to issue revenue bonds, in accordance with the provisions of the Enabling Act, which are payable from the revenues presently being used to separately pay and secure the payment of each of the issues of the Refunded Bonds and to not issue any additional bonds, notes or other evidences of indebtedness pursuant to the provisions of Act No. 456 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year, 1961, as amended, (authorizing Student and Faculty Housing Revenue Bonds), and Articles 5 and 7 of Chapter 119, Title 59 of the State Code (authorizing Auxiliary Facilities Revenue Bonds and Parking Facilities Revenue Bonds).

The Board of Trustees is cognizant of the fact that in order to follow such advice, it is necessary to redeem or legally defease by a plan of refunding (in advance of maturity or otherwise) the Refunded Bonds.

I. In addition, as of May 1, 1990, the Board of Trustees issued its \$1,134,815 Student and Faculty Housing Revenue Note (Junior Lien) (the "Note"). Pursuant to the terms of the resolution which authorized the issuance of the Note (the "Note Resolution"), the Note is secured by the "Gross Revenues" remaining after the payment of costs of operation and maintenance of the "Facilities" and a statutory lien on the "Facilities", as such terms are defined in the Note Resolution. The Note bears interest at the rate of five and five-tenths percent (5.5%) per annum. The University has been advised that a marginal savings can be achieved by the issuance of a sufficient amount of refunding bonds pursuant to the terms of this Bond Resolution in order to prepay the Note. Moreover, since the payment of the Note is secured as set forth above, a prepayment of the Note will allow all Bonds issued under this Bond Resolution to be secured by a pledge of the Net Revenues (as hereinafter defined) of the Facilities (as hereinafter defined) subordinate to no other pledge of such Net Revenues except as provided for the Senior Lien Bonds, as such are defined and discussed hereinafter in this Section 1.01 and in Section 8.01 hereof.

J. In addition to the revenue bonds set forth in Paragraph (G) herein, the University also has outstanding the principal amount \$8,100,000 of an original issue of \$9,925,000 Plant Improvement Bonds, Series 1991, dated April 1, 1991 (the "Plant Improvement Bonds"). At the present time, the Board of Trustees has determined not to pledge as security to the payment of the bonds authorized by this Bond Resolution, the receipts from the Plant Improvement Fee authorized by the provisions of Act No. 1278 of the Act and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1970, as amended (authorizing Plant Improvement Bonds) and which provides the moneys to pay the Plant Improvement Bonds. However, the Board of Trustees may in the future decide to pledge such receipts in accordance with the provisions of Section 4.24 hereof and add to the definition of Facilities, set forth in Article II hereof, the permanent improvements so financed as permitted by the provisions of Section 4.25 hereof. In such event, such Plant Improvement Bonds would be refunded by the issuance of bonds authorized by the provisions of this Bond Resolution.

K. The bonds issued under the provisions of this Bond Resolution are payable solely from the Net Revenues (hereinafter defined) derived by the University from the operation, sale, lease, or other disposition of the Facilities (hereinafter defined) and the Additional Funds (hereinafter defined) of the University.

L. The Series K Bonds were issued pursuant to the provisions of Act No. 456 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1961, as amended, and in accordance with the provisions of Chapter 14, Title 11, Code of Laws of South Carolina, 1976, as amended, (the "Defeasance Act"), in order to advance refund and defease certain series of bonds of the University. Among the bonds advance refunded and defeased were the remaining installments of an original issue of \$3,100,000 Student and Faculty Housing Refunding Revenue Bonds, Series I, of Clemson University, South Carolina, dated December 1, 1982 (the "Series I Bonds").

The Series I Bonds had been issued to advance refund and defease the outstanding installments of an original issue of \$1,300,000 Student and Faculty Housing Revenue Bonds, Series C, of Clemson University, South Carolina, dated July 1, 1966, (the "Series C Bonds"), the outstanding installments of an original issue of \$3,800,000 Student and Faculty Housing Revenue Bonds, Series F, of Clemson University, South Carolina, dated October 1, 1970, (the "Series F Bonds"), and the outstanding installments of an original issue of \$1,100,000 Student and Faculty Housing Revenue Bonds, Series G, of Clemson University, South Carolina, dated October 1, 1972 (the "Series G Bonds").

M. The provisions of the Defeasance Act permit the establishment of a special irrevocable trust fund into which is deposited obligations of the United States or any of its agencies and moneys which will provide sums required to pay when due the principal and interest on bonds sought to be defeased. However, the resolutions of the Board of Trustees authorizing the issuance of the Series C Bonds, the Series F Bonds and the Series G Bonds, do not include similar net defeasance provisions. Thus, while the Series C Bonds, the Series F Bonds, and the Series G Bonds were economically defeased pursuant to the authority of the Defeasance Act by the issuance of the Series I Bonds, the liens securing each of these issues remain outstanding until such time as the principal and interest due on such issues are actually paid at their respective principal and interest payment dates. The Defeasance Act provides that any action taken pursuant to its provisions shall not impair the obligation or contract between an issuer and its bondholders and, that if for any reason a trust established pursuant to its provisions fails, the issuer shall forthwith effect the payment of the principal and interest due on its bonds as originally provided.

Due to the fact that the Series C Bonds, the Series F Bonds, and the Series G Bonds have been economically defeased but technically remain secured by the liens of the resolutions pursuant to which the same were issued, such bonds will herein be referred to as the "Senior Lien Bonds".

N. No obligations have been issued heretofore under the provisions of the Enabling Act.

Based on the foregoing, the Board of Trustees has determined to adopt this Bond Resolution for the purposes of refunding the Refunded Bonds and the Note, providing the vehicle pursuant to which Facilities may be financed and refinanced, including the issuance of additional bonds payable from the Net Revenues and Additional Funds, from time to time, and providing a mechanism for the ordering of pledges created to secure such bonds.

[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 issued pursuant to the Enabling Act.

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 requires otherwise:

"Accreted Value" shall mean the amounts set forth in or 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.

"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.

"Additional Funds" shall mean any funds of the University designated and approved and set forth in, or as may be designated in the future by the Board of Trustees pursuant to Section 4.24 of this Resolution, in accordance with Section 59-147-110 of the Enabling Act.

"Annual Budget" shall mean the budget or amended budget for the operation of the Facilities prepared under the supervision of the Chief Financial Officer as a portion of the budget of the University 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 any particular Fiscal Year and to a Series of Bonds Outstanding, an amount equal to the sum of (1) all interest payable on such Series of Bonds during such period (other than amounts paid from proceeds of the Bonds as accrued interest or interest which has been capitalized in accordance with the terms of this Bond Resolution), plus (2) any Principal Installments of such Series of Bonds payable during such Fiscal Year; 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, equalling 25% or more of the principal of such Series of Partially Amortizing Bonds, the amount of such Principal

Installment deemed to be payable during any Fiscal Year for purposes of determining Annual Principal and Interest Requirement shall be computed as if such Principal Installment 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 of calculation, 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 Paying Agent/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) the actual rate on the date of calculation, or if the Variable Rate Bonds are not yet Outstanding, the initial rate (if established and binding),

(ii) if the Variable Rate Bonds have been Outstanding for at least twelve (12) months, the average rate over the twelve months immediately preceding the date of calculation (if such average rate exceeds the rate stated in (i) above); or

(iii) if the Variable Rate Bonds are not yet Outstanding and the initial rate is not yet established, then (1) if interest on the Variable Rate Bonds is intended by the University to be excludable from gross income under the applicable provisions of the Code, the Bond Buyer One Year Note Index (or comparable index if such is no longer published) published not earlier than one week prior to the sale date, or (2) if interest is not intended to be so excludable, the interest rate on Government Obligations with comparable maturities; provided, however, that if the One Year Note Index referred to in (1) 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, and further provided that such rate under this (iii) shall not exceed the maximum rate permitted on the Variable Rate Bonds;

provided, however, that for purposes of any rate covenant measuring actual debt service coverage during a test period, Variable Rate Bonds shall be deemed to bear interest at the actual rate or rate per annum applicable during the test period.

"Authorized Investments" shall mean those investments authorized for investment of State funds under Section 11-9-660 of the State Code.

"Board of Trustees" shall mean the Board of Trustees of the University or any successor body.

"Bond Counsel" shall mean an attorney or firm of attorneys of recognized standing in the field of law relating to municipal, state and public agency financing.

"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 any Bonds issued in bearer form in accordance with Section 4.08(C) hereof, the holder of any such Bond.

"Bonds" shall mean any indebtedness payable from the Net Revenues and the Additional Funds, issued in accordance with the provisions of the Enabling Act, this Bond Resolution and a Series Resolution.

"Book-Entry Form" or "Book-Entry System" shall mean, with respect to the Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in such Bonds may be transferred only through a book-entry, and (ii) physical Bonds in fully registered form are registered only in the name of a Depository or its nominee. The book-entry maintained by the Depository is the record that identifies the owners of participatory interests in such Bonds, when subject to the Book-Entry System.

"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 only at maturity or payable prior to maturity only on the redemption dates set forth in the Series Resolution authorizing the issuance of such Bonds and 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 derived by the University from the operation and maintenance of the Facilities.

"Code" shall mean the Internal Revenue Code of 1986, as 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 of the State, who is not a full-time employee of the University or the State but may include 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.

"Defeasance Act" shall mean Chapter 14 of Title 11 of the State Code, as amended from time to time.

"Depository" shall mean 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 Bonds of any Series, and shall include any substitute for or successor to the securities depository initially acting as Depository.

"Depository Nominee" shall mean, 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 any Registrar, the Bond certificates to be delivered to and immobilized at such Depository during the continuation with such Depository of participation in its Book-Entry System.

"Enabling Act" shall mean Act No. 302, which amended Title 59 of the State Code by adding Chapter 147, as the same may be amended from time to time.

"Facilities" shall mean all of the following facilities owned by the University and operated directly by the University or on its behalf to provide for the students, faculty or staff at the University, hereby designated by the Board of Trustees: dormitories, apartment buildings, dwelling houses, and inns excluding (1) the residence of the President of the University and (2) dormitories or other student dwelling quarters leased (but not owned or yet owned) by the University pursuant to a lease or any lease/purchase arrangement; bookstores and other stores operated by the University, including facilities for the sale of sundry items; dining halls and other food service facilities, including canteen and vending facilities; and parking and vehicle registration facilities (including all parking lots and buildings) and all furniture, furnishings and equipment therein, which are now owned by the University, or which may be acquired by the University for any of these purposes; and shall include those additional Facilities as may be added pursuant to Section 4.25 hereof. Where the context requires, the term "Facilities" shall include services provided in or by the Facilities but shall specifically exclude athletic department projects which (1) primarily serve varsity athletic teams of the University and (2) are athletic facilities defined within Section 59-119-920 of the State Code.

"Facilities Operation and Maintenance Fund" shall mean the fund, account or accounts to be established and maintained by the University, pursuant to Section 7.02 hereof, in such fashion as to reflect adequately all of the receipts and revenues derived from the operation of the Facilities and all interest and other income earned by the University in connection with the operation of the Facilities. The Facilities Operation and Maintenance Fund shall also be the Fund from which all Operation and Maintenance Expenses of the Facilities are paid.

"Fiscal Year" shall mean the period of twelve (12) calendar months, beginning on July 1 of each year and ending with June 30th of the succeeding year, unless the same shall have been changed by the University pursuant to the authorization of Section 3.01 hereof.

"Fitch" shall mean Fitch Investors Service, L.P., and its successors.

"General Assembly" shall mean the duly constituted legislature of the State of South Carolina.

"Government Obligations" shall mean and include direct noncallable general obligations of the United States of America or noncallable obligations, the payment of principal of or interest on which is fully and unconditionally guaranteed by the United States of America.

"Gross Revenues" shall mean

a. all receipts and revenues, including fines and commissions, derived from the operation of the Facilities (including any rents or other fees received in connection with the Facilities not operated directly by the University),

b. all proceeds from the sale or other disposition of any property owned directly or beneficially by the University in connection with the operation of the Facilities, and

c. all interest and other income received directly or indirectly from the investment of any moneys or accounts relating to the Facilities; excluding, however, investment income restricted to a purpose inconsistent with the payment of operating expenses or debt service and specifically excluding (if so provided by any Series Resolution) interest earned on any construction fund or construction account created with the proceeds of borrowing by the University.

"Improvement Fund" shall mean the fund herein so designated and designed to provide for contingencies, for the replacement of depreciated or obsolete items of the Facilities and for improvements, expansions and renovations to the Facilities, as established pursuant to Section 7.05 hereof.

"Insurer" with respect to any Series of bonds, shall mean an insurance company that has written a Municipal Bond Insurance Policy covering such Series of Bonds.

"Junior Lien Bonds" shall mean any revenue bonds, notes or other obligations issued by the University and referred to in Section 6.01 hereof and which are secured by pledges of the Net Revenues and Additional Funds which are junior and subordinate in all respects to the pledges and liens made to secure Bonds.

"Moody's" shall mean Moody's Investors Service, Inc, and its successors.

"Municipal 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.

"Net Revenues" shall mean for the period in question, Gross Revenues less Operation and Maintenance Expenses for the Facilities but 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;

- (ii) investment income restricted to a purpose inconsistent with the payment of operating expenses or debt service including (whether or not so restricted) interest earned on any construction fund or construction account created with the proceeds of borrowing by the University;
- (iii) any amounts received by way of government grants or appropriations pertaining to the Facilities to the extent that such grants are not permitted by law or their terms to be pledged to secure the Bonds; and
- (iv) any amounts paid for the Senior Lien Bonds as provided for in Section 8.01 hereof.

"Note" shall mean the \$1,134,815 Student and Faculty Housing Revenue Note (Junior Lien) of Clemson University, South Carolina, dated May 1, 1990.

"Operation and Maintenance Expenses" shall mean for the period in question all expenses incurred in connection with the administration and operation of the Facilities, including, without limiting the generality of the foregoing, salaries, wages and employer contributions, costs of materials, supplies and insurance, costs of water, sewer and power, and such expenses as may be reasonably necessary to preserve the Facilities in good repair and working order, and to pay the fees and charges of the Trustee and the custodian or trustee of any fund, the Paying Agent, the Registrar, the costs of audits required hereunder, the costs of computation and payment of any arbitrage rebate, and the premiums for all insurance and fidelity bonds required by this Bond Resolution. Operation and Maintenance Expenses shall not include:

- (a) depreciation allowances;
- (b) amounts paid as interest on bonds;
- (c) operational and maintenance expenses paid from the (a) receipts of government grants or (b) appropriations paid to the University by the General Assembly;
- (d) amounts expended for extraordinary repairs to the Facilities; and
- (e) the amortization of financing expenses, underwriting discounts, call premiums, gains or losses on the extinguishment of debt due to the refinancing of the same, and other related or incidental non-recurring expenses resulting from the issuance or refinancing of Bonds.

"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:

I Bonds paid or redeemed and cancelled at or prior to such date;

(a) Bonds in lieu of or in substitution for which other Bonds shall have been executed and delivered;

(b) Bonds deemed to have been paid as provided in Article XVI hereof; and

(c) for purposes of any consent or other action to be taken by the Holders of a specified percentage of 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 or other entity appointed 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.

"Record Date" shall mean the fifteenth (15th) day of the month immediately preceding each Bond Payment Date (or such other time or times as shall be prescribed for any Series by the applicable Series Resolution).

"Refunded Bonds" shall mean, collectively, all of the issues set forth in paragraph G of Section 1.01 hereof.

"Registrar" shall mean the State Treasurer or any bank or trust company or other entity appointed 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.

"S&P" means Standard & Poor's Ratings Services, A Division of The McGraw-Hill Companies, Inc. 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 Bonds" shall mean the following issues:

(1) the outstanding installments of an original issue of \$1,300,000 Student and Faculty Housing Revenue Bonds, Series C, of Clemson University, South Carolina, dated July 1, 1966;

(2) the outstanding installments of an original issue of \$3,800,000 Student and Faculty Housing Revenue Bonds, Series F, of Clemson University, South Carolina, dated October 1, 1970; and

(3) the outstanding installments of an original issue of \$1,100,000 Student and Faculty Housing Revenue Bonds, Series G, of Clemson University of South Carolina, dated October 1, 1972.

"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 this Bond Resolution in accordance with the terms and provisions hereof, adopted in accordance with the provisions of Article IV hereof.

"State" shall mean the State of South Carolina.

"State Board" shall mean the State Budget and Control Board of South Carolina.

"State Code" shall mean the Code of Laws of South Carolina 1976, as amended from time to time.

"State Treasurer" shall mean the Office of the State Treasurer of South Carolina.

"Trustee" shall initially mean the State Treasurer but also may include a bank, trust company or financial institution serving in such capacity pursuant to the provisions of Article XV hereof.

"University" shall mean Clemson University, South Carolina.

"University Fee" shall mean the total academic fee imposed by the Board of Trustees and charged all persons in attendance at any regular or summer session of the University who are enrolled in any course or class for which credit is given toward any degree offered by the University but not to include special student fees, tuition and matriculation fees.

"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 Facilities shall continue to be operated on a Fiscal Year basis, which, until changed, shall commence on the first (1st) day of July of 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 consecutive twelve (12) month period.

[End of Article III]

ARTICLE IV

AUTHORIZATION OF 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) providing funds for the financing or refinancing of the costs of the acquisition, construction, reconstruction, renovation and improvement of land, buildings, and other improvements to real property and equipment for the purpose of providing Facilities;

(2) providing funds for the payment of any bond anticipation note or notes issued in order to defray the cost of providing new Facilities or renovating or improving existing Facilities and that were issued in anticipation of the issuance and sale of Bonds;

(3) refunding Bonds or other obligations, the proceeds of which were used to provide for new Facilities or the renovation or improvement of existing Facilities;

(4) funding any Debt Service Reserve Fund (including the purchase of a surety bond, letter of credit or similar instrument credited thereto in lieu of cash as provided herein) 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) capitalizing interest on the Bonds for such period of time as the Board of Trustees may determine; and

(6) paying costs of issuance of Bonds, including any credit enhancement therefor,

but subject to the terms, limitations and conditions herein, the University may authorize the issuance, from time to time, of Bonds in an unlimited amount 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 4.08(C) hereof, the Bonds of each Series shall be issued in fully registered form, without coupons. The Bonds shall, in addition to bearing the title "Revenue Bonds of Clemson University, South Carolina," or such other title as may be permitted by the Enabling Act, 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, to the extent permitted by law, in the form of serial Bonds, term Bonds with or without mandatory sinking fund payments, Capital Appreciation Bonds, Partially Amortizing Bonds or such other forms of Bonds as may otherwise be permitted

by the Enabling Act and not inconsistent with the provisions of this Bond Resolution, or any combination of such forms.

(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 for the purposes set forth in Section 4.01(A) hereof. 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, and the manner of determining the precise principal amount and the officials authorized to make such determination;
- (3) The time for the payment of interest on the Bonds of such Series, the Record Dates, and the date or dates of maturity and the amounts thereof, or the manner of determining such dates and amounts and the officials authorized to make such determinations;
- (4) The specific purposes for which such Series of Bonds are being issued, which shall be to provide funds for the purposes authorized by the Enabling Act and the 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 or the official authorized to make such determinations;
- (7) The interest rate or rates, or the manner of determining such rate or rates, of the Bonds of such Series including whether and on what terms there shall be entered by the University an agreement for any form of interest rate swap or similar transaction with respect to such Series;
- (8) The portion of such Series that are serial Bonds and that are term Bonds and that are Partially Amortizing Bonds and that are Capital Appreciation Bonds (or other forms permitted by the Enabling Act and not inconsistent with the provisions of this Bond Resolution), 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 of making such designations and the officials authorized to make such designations;
- (9) 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 for such payments, or the manner of determining such dates and prices and the officials authorized to make such determinations;

(10) The Trustee, the Registrar and Paying Agent, for such Bonds, and the escrow agent if such Bonds are refunding Bonds issued in advance of the date of maturity or redemption of the refunded bonds, or the manner of determining such Trustee, Paying Agent, Registrar and/or escrow agent;

(11) The form or forms of the Bonds of such Series;

(12) The manner of numbering and lettering, and the denomination or denominations, of the Bonds of such Series;

(13) Whether the Bonds of such Series shall be issued in book-entry form pursuant to Section 4.18 hereof;

(14) The disposition of the proceeds of the sale of the Bonds of such Series and the manner of their application;

(15) The determination of whether or not such Series of Bonds will be subject to a Reserve Requirement or the manner of determining whether or not a Reserve Requirement will be required and the manner of determining the method by which such Reserve Requirement, if any, will be satisfied;

(16) That the then applicable Reserve Requirements, if any, for all Series of Bonds Outstanding and for the proposed Series of Bonds, have been or will be met; and

(17) That a Debt Service Fund and, if then determined to be necessary by the Board of Trustees, a Debt Service Reserve Fund be established for the Series of Bonds, and that a construction fund be established if the proceeds of the Bonds of any Series are intended to be used for the construction, expansion or improvement of the Facilities.

Section 4.02. Conditions to Issuance of Bonds of a Series.

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 determined in the manner prescribed by the Series Resolution;

(2) Bonds shall bear interest at the rates and on the occasions prescribed or determined in the manner 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 in the payment of the principal of or interest on any Bonds or Junior Lien Bonds then Outstanding;

(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 Net Revenues and Additional Funds subject to the application thereof to the purposes and on the conditions permitted by this Bond Resolution; and (d) upon the execution, authentication, 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 Debt Service Reserve Fund, if any, 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, letter of credit or similar instrument in lieu thereof in accordance with Section 7.04(D) hereof), there shall be deposited in the applicable Debt Service Reserve Funds, if any, such amounts or a qualified substitute in accordance with Section 7.04(D) hereof shall be provided, as is 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, unless:

(a) the Series Resolution establishing the particular Debt Service Reserve Fund shall have provided for successive monthly payments beginning in the first month following the date of the issuance of the Bonds of any such Series in substantially equal monthly amounts (the "Monthly Series Payments") so that by the end of any period not exceeding the period of thirty-six (36) months from the date of issuance of such Series of Bonds there shall be in its Debt Service Reserve Fund an amount equal to its Reserve Requirement with respect to such Bonds;

(b) there shall be no unremedied defaults of any Monthly Series Payments required to have been made; and

(c) each Debt Service Reserve Fund is funded in an amount equal to its Reserve Requirement with respect to each Series of Bonds, other than Bonds issued pursuant to Series Resolutions described in (a) above;

(7) Except as provided in Paragraph (8) herein, and except in the case of the initial Series of Bonds issued pursuant to this Bond Resolution:

Net Revenues and Additional Funds 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 not less than one hundred twenty percent (120%) 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 Additional Funds may be adjusted to reflect (1) any 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 rate 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 Additional Funds; (3) any amount allowed by subparagraph (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) In the case of Bonds issued for the purpose of refunding any Bonds, either:

(a) 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

(b) The University shall comply with the revenue test prescribed above.

(9) Except as to Bonds issued only for the purpose of refunding any Bonds, the University shall obtain an opinion of Counsel 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) a 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;

(10) 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, it being here expressly provided that the obligation to pay any such reimbursement obligation shall be on a parity with the Bonds with respect to the pledge of the Net Revenues; and

(b) The liquidity provider for such Bonds shall be rated in either of the two highest short term rating categories by Moody's or S&P or Fitch;

(11) All amounts owing under a reimbursement agreement with any provider of a surety bond, letter of credit or similar instrument as contemplated under Section 7.04(D) hereof shall have been paid; and

(12) The issuance of the Bonds, if so required by the Enabling Act, shall have been reviewed and approved by the State Board.

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 made in good faith, pursuant to any provision of this Article.

Section 4.04. Execution of Bonds.

(A) Unless otherwise permitted by the Enabling Act and 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

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 and deliver 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 the 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 Section 4.23 hereof or where, in the opinion of Bond Counsel, the Bonds 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 or any other authorized denominations having the same maturity date and bearing the same rate of interest of the Bonds surrendered.

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 government 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 or destroyed by the Registrar and shall not be reissued. Any such cancellation shall be done in such fashion as to render such Bonds incapable of further negotiation or hypothecation. All Bonds so cancelled or destroyed shall thereafter no longer be considered Outstanding for any purposes of this Bond Resolution. Upon effecting such cancellation or destruction, the Registrar shall furnish appropriate certificates to the University and to the Trustee setting forth the disposition made of the Bonds so cancelled or destroyed.

Section 4.13. Notice of Redemption.

If any of the Bonds, or portions thereof, are called for redemption, the Trustee shall cause the Registrar to give notice to the Paying Agent and to the Holders of any Bonds to be redeemed, in the name of the University, of the redemption of such Bonds, or portions thereof. Notice of each redemption of Bonds is required to be mailed by the Registrar by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each registered owner of Bonds to be redeemed, at the address of such owner recorded on the registration books and to be otherwise given in accordance with, among others, the following requirements:

- (1) notices must contain, at a minimum, the complete official name of the Bonds, CUSIP number, Bond numbers, principal amount of each Bond to be redeemed (if less than all), publication date, redemption date, redemption price, redemption agent's name and address with contact person and phone number, Registrar's name and address, date of the Bonds, interest rate, maturity date, the place or places where amounts due will be payable, and any other descriptive information deemed necessary by the Registrar;

(2) notices must be sent in the event of a Bondholder owning \$1,000,000 of principal or more, to at least two national information services, and any Depository by certified mail--return receipt requested or at the request of such Bondholder, an overnight courier service; notices sent to any Depository must be sent so that such notice is received by such Depository at least two days prior to the mailing of such notices to Bondholders, in addition, any Bondholder holding in excess of \$1,000,000 principal amount of Bonds may request the Registrar to send notices to any additional addressee specified;

(3) a second notice to registered owners of the Bonds must be mailed by the means specified above to any registered owner of Bonds who has not presented Bonds for redemption sixty (60) days after the redemption date;

(4) notice of redemptions effected by refundings must also be given in accordance with the above requirements at least thirty (30) days but no more than sixty (60) days prior to the actual redemption date; and

(5) CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany all redemption payments and interest payments, whether by check or by wire transfer.

The failure of the Registrar to give notice to a Bondholder or any defect in such notice shall not affect the validity of the redemption of any other Bonds for which notice is properly given. Any Bondholder may waive notice of redemption by delivery of a written waiver to the Registrar.

Any Series Resolution providing for the issuance of Bonds consisting of contractual obligations not in the form of an instrument or providing for Bonds in bearer form may provide alternative methods for delivery of notice of redemption.

Provided sufficient funds for such redemption are on deposit with the Paying Agent, 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 and the Trustee. 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 that less than all of the Bonds of any Series are to be redeemed at the option of the University, Bonds to be redeemed shall be in such order of maturity as selected by the University. 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 lot by the Registrar. 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; provided further that, if less than all of the beneficial interests in a Bond of a single maturity registered in the name of a Depository or a Depository Nominee are to be redeemed, the beneficial interests to be redeemed shall be selected by lot or in such manner as may be directed by the Depository. 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 Additional Funds. Such pledge securing the Bonds at all times and in all respects shall be and remain superior to pledges made to secure any other bonds or other obligations payable from the Net Revenues and Additional Funds, other than the pledges made to secure the Senior Lien Bonds, as provided in Section 8.01 hereof. All Bonds issued under the provisions of this Bond Resolution shall be on a parity, inter sesse. The Bonds shall not constitute an indebtedness of the University within the meaning of any provision, limitation or restriction of the Constitution or the laws of the State, other than those provisions authorizing indebtedness payable solely from a revenue-producing project not involving revenues from any tax or license. The Bonds are not general obligations of the State.

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 Depository 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, letter of credit or similar instrument as contemplated under Section 7.04(D) herein 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 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 and will not adversely affect the excludability of interest on the Bonds from federal income taxation.

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.

Section 4.23. Bonds in Coupon Form.

If at any time after adoption of this Bond Resolution, the University shall receive an opinion of Bond Counsel to the effect that Bonds of any Series may be issued in coupon form payable to bearer without adversely effecting the tax-exempt status of the Bonds of such Series or the Bonds of any other Series and without the imposition of any penalty upon the University, then this Bond Resolution may be amended, without the consent of the Holders of any Bonds Outstanding, to provide for the issuance of coupon Bonds payable to bearer and to change or modify any of the provisions of this Bond Resolution that shall be inconsistent with the issuance of Bonds in such form.

Section 4.24. Additional Funds.

The Board of Trustees on behalf of the University hereby designates and approves as "Additional Funds" the gross receipts from the University Fee. In addition to the University Fee, the Board of Trustees reserves the right to designate other available funds, revenues and fees as "Additional Funds", the receipts of which are pledged to the payment of the Bonds authorized hereunder.

Section 4.25. Additional Facilities.

Notwithstanding anything in this Bond Resolution to the contrary, the University shall have the right from time to time to add other activities and facilities of the University (which at the date of adoption of this Bond Resolution were not included in the definition of Facilities hereunder) to the definition of Facilities hereunder, provided that:

(1) The Board of Trustees shall have determined that such activities are of a similar nature as are the Facilities expressly referred to in the Enabling Act;

(2) The Board of Trustees shall adopt an appropriate amendatory resolution to the Bond Resolution; and

(3) The University and the Trustee shall have received an opinion of Bond Counsel to the effect that such action to be taken under this Section is authorized under this Bond Resolution and the laws of the State and will not adversely affect the excludability of interest on the Bonds from federal income taxation.

[End of Article IV]

ARTICLE V

RATES AND CHARGES

Section 5.01. Rate Covenants.

(A) It is hereby determined that the rates and charges for utilization of the Facilities shall, until otherwise revised in accordance with this Bond Resolution, be as now established. Said rates and charges are hereby determined to be sufficient to meet the requirements of this Bond Resolution but shall be revised whenever necessary in order that the same shall at all times be maintained on a basis sufficient to meet the requirements of this Bond Resolution. In this connection, the University specifically covenants and agrees to maintain and collect rates and charges for use of the Facilities, which together with the receipts of Additional Funds shall at all times be sufficient:

(1) To provide for the payment of the expenses of administration and operation and such expenses for maintenance of the Facilities as may be necessary to preserve the same in good repair and condition;

(2) To maintain all Debt Service Funds and thus provide for the punctual payment of the principal of and interest on all Bonds that may from time to time hereafter be Outstanding;

(3) To maintain any Debt Service Reserve Fund at the level of its respective Reserve Requirement, in the manner prescribed herein or in the applicable Series Resolution;

(4) To provide for the payment of any Junior Lien Bonds that may from time to time hereafter be Outstanding;

(5) To provide a reserve for contingencies and for improvements, renovations and expansions of the 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, 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 covenants and agrees that it will at all times prescribe and maintain rates and charges and thereafter collect such sums in accordance with such rates and charges for the Facilities or the use thereof which are reasonably expected to yield annual Net Revenues in the current Fiscal Year that equal 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 such rates and charges for the use of the Facilities and shall promptly revise such rates and charges as necessary to comply with the foregoing requirement. For each Fiscal Year, the Board of Trustees shall adopt an Annual Budget including amended schedules for such rates and charges for the use of the Facilities for such Fiscal Year which shall set forth in reasonable detail the estimated revenues and operating expenses of the Facilities for each Fiscal Year and which shall include appropriations, if any, for the estimated operating expenses of the Facilities for such period and the amount 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, in such a manner as may be consistent with State law.

[End of Article V]

ARTICLE VI

JUNIOR LIEN BONDS; OTHER OBLIGATIONS; CLOSING OF RESOLUTIONS

Section 6.01. Right to Issue Junior Lien Bonds; Accession Thereof to Status of Bonds.

Notwithstanding that Bonds may be Outstanding, the University may, at any time, and 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 Net Revenues and Additional Funds; provided that the pledge of the Net Revenues and Additional Funds granted for the protection of said Junior Lien Bonds, shall at all times be subordinate and inferior in all respects to the pledges of such Net Revenues and Additional Funds made or authorized for the Bonds 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.

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 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 8.04 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 shall have been met.

(7) In the event such Junior Lien Bonds were issued with variable rates, the provisions of subparagraph (10) of Section 4.02 shall have been met.

Such Junior Lien Bonds may be further secured by any other source of payment lawfully available for such purpose.

Section 6.02. Closing of Resolutions.

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 "A Resolution Providing for the Issuance And Sale of Student And Faculty Housing Revenue Bonds of Clemson University, South Carolina, And Other Matters Relating Thereto," dated April 8, 1988; "A Resolution Providing For The Issuance And Sale of Auxiliary Facilities Revenue Bonds of Clemson University, South Carolina, and Other Matters Relating Thereto," dated June 5, 1991; and "A Resolution Providing For The Issuance And Sale of Parking Facilities Revenue Bonds of Clemson University, South Carolina, and Other Matters Relating Thereto," dated March 15, 1994.

[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 Facilities shall be so arranged as to reflect the following funds or accounts relating to the revenues of the Facilities and such funds or accounts shall be established and maintained, and deposits shall be made therein in the manner herein required.

Section 7.02. The Facilities Operation and Maintenance Fund.

(A) There shall be established and maintained by the University a fund or account designated as the Facilities Operation and Maintenance Fund. This account shall be so maintained as to accurately reflect Gross Revenues and Net Revenues.

(B) All Gross Revenues shall be deposited in accordance with and in the manner prescribed by Article VIII hereof into the Facilities Operation and Maintenance Fund. Money in the Facilities 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 Facilities Operation and Maintenance Fund is intended to provide for the payment of the Senior Lien Bonds, if necessary, and for the payment of all Operation and Maintenance Expenses.

(C) Withdrawals from the Facilities 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, if any, 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. 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 8.03 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. The 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 on 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 money in the applicable Debt Service Fund is 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 (or defeased) as a whole; or

(3) to effect partial redemption of the applicable Series of Bonds; but subject to the restrictions of Section 4.20 hereof and, 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 Facilities Operation and Maintenance Fund.

(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 an irrevocable and unconditional surety bond, or insurance policy payable to the Trustee or the Paying Agent for the benefit of the Holders of the Bonds of a Series or an irrevocable and unconditional line of credit or letter of credit in an amount which together with other moneys on deposit in such Debt Service Reserve Fund is equal to the Reserve Requirement therefor.

(E) In the event a Debt Service Reserve Fund has been funded with a surety bond, letter of credit or similar instrument and either such instrument has been drawn upon, moneys available to repay such surety bond, letter of credit or similar instrument provider shall first be used to reinstate the surety bond, letter of credit or similar instrument to its original amount. Any interest or fees due to the surety bond, 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, 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 its surety bond, 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, letter of credit or similar instrument in question (the "Original Funding Instrument") includes

amounts available under another surety bond, 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. The Improvement Fund.

(A) There shall be established and maintained by the University 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 Facilities.

(B) Money in the Improvement Fund shall be withdrawn by the University from time to time and used solely:

(1) For the purpose of replacing or restoring depreciated or obsolete items of the Facilities;

(2) For improvements, expansions and renovations to the Facilities, other than for those things which are reasonably necessary to maintain the Facilities in good repair and condition;

(3) To defray the cost of unforeseen contingencies and other expenses related to the use of the Facilities;

(4) To prevent defaults of 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 University shall determine that no deficiency exists in any Debt Service Fund or Debt Service Reserve Fund.

Section 7.06. Investment of Moneys in Facilities Operation and Maintenance Fund and Improvement Fund.

Moneys in the Facilities Operation and Maintenance Fund and 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 Facilities, there shall be established under the applicable Series Resolution and maintained by the Trustee a construction fund into which proceeds from 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.

(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 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 Facilities Operation and Maintenance Fund; Dispositions Therefrom.

The Gross Revenues of the Facilities are declared to be a part of the Facilities Operation and Maintenance Fund and shall from time to time be promptly deposited in the Facilities Operation and Maintenance Fund. Provision shall be made first for the payment of the Senior Lien Bonds in the event there exists any deficiency in the irrevocable escrow funds established to secure the payment of such Senior Lien Bonds. However, such provision shall be solely from the moneys pledged thereto by the proceedings authorizing the Senior Lien Bonds. Withdrawals from the Facilities Operation and Maintenance Fund for Operation and Maintenance Expenses may be made periodically as required to fund the Facilities as set forth in the Annual Budget. The dispositions from the Facilities Operation and Maintenance Fund required by Sections 8.03 through 8.06 hereof shall be made on or before the twentieth (20th) Business Day of each month 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 for the operation of the Facilities for the next ensuing Fiscal Year (which may be a part of the general budget of the University), which shall reflect the rate schedules for the Facilities for the ensuing Fiscal Year, an estimate of the Gross Revenues, and all sums which the Board of Trustees intend to spend for such 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. 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) There shall be deposited in the respective Debt Service Funds the monthly fraction of the aggregate amount of 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, due to accumulations of moneys therein, 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) There shall be deposited in the respective Debt Service Funds the monthly fraction of the aggregate amount of principal of the respective Series of Bonds becoming due and payable on the next ensuing principal maturity date (whether at stated maturity or by sinking fund installment), so that on each principal maturity date, the amount of principal to be paid shall have accumulated and be on hand. Provided, however, that if provision has been made for the payment of all or part of an installment of principal to become due on the Bonds, due to accumulations thereon, 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 8.04. Deposits for the Debt Service Reserve Funds; Valuation.

(A) 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 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 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. 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 8.04.

(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 8.05. Reimbursement of Interest on Amounts Advanced for Debt Service Reserve Funds.

Provision shall be made 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 8.06. Payments for Junior Lien Bonds.

Provision shall be made 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 8.07. Deposits for the Improvement Fund.

To the extent funds are available, there shall be deposited from time to time 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 8.07 may be omitted, or reduced accordingly.

Section 8.08. Use of Surplus Money.

At any time that there is in the Facilities Operation and Maintenance Fund an amount sufficient to make all payments permitted or required by Section 8.01 and Sections 8.03 through 8.07 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 therefor) 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 Facilities, the fiscal affairs of the Facilities, 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 Facilities, 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 Facilities;
- (2) Gross Revenues and the sources from whence derived;
- (3) All Operation and Maintenance Expenses;
- (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) Rate schedules that may from time to time be in effect as to the Facilities; and
- (7) Additional Funds.

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 of the University in accordance with generally accepted auditing standards. The University shall provide 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 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 Facilities. 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) That it will keep all structures comprising the facilities continuously insured under fire and extended coverage policies, in an amount at least equal to the face amounts of all Series of Bonds Outstanding; provided, however, that in case the principal amount of such Series of Outstanding Bonds shall be greater than the insurable value of the Facilities, then the University shall insure the Facilities to the extent of their insurable value;

(B) That 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 the Facilities usable, for the acquisition of additional Facilities, or for the redemption of Bonds at the earliest practicable date;

(C) That 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 the University or State employees handling money derived from the Facilities or signing checks on any bank accounts relating to the Facilities other than the Trustee, each Registrar or each Paying Agent;

(D) That all premiums on all bonds or insurance policies shall be deemed a part of the cost of operating and maintaining the Facilities;

(E) That all insurance policies shall be open to the inspection of any Bondholder at any reasonable time;

(F) That 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; and

(G) That it will comply with the requirements of State law regarding the mandatory purchase of liability insurance contained in Section 15-78-140(b) of the State Code, as amended from time to time.

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 TO SECURE BONDS; SALE AND DISPOSITION OF FACILITIES

Section 11.01. Additional Covenants to Secure Bonds.

The University further covenants and agrees:

(A) That neither the Facilities, nor any part thereof, nor any of the income or revenues derived from the Facilities, have been or will be hypothecated, mortgaged, or otherwise pledged or encumbered, save and except as herein disclosed and provided for; and provided that nothing in this Section 11.01(A) shall prevent the University from financing the acquisition of any item or items of equipment for or related to the Facilities, which financing is secured by a purchase money security interest or the equivalent thereof;

(B) That so long as there are any Bonds outstanding and unpaid, it will perform all duties with reference to the 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 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 Facilities, necessary or useful (as determined by the University) in the operation of the Facilities, except as herein provided 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;

(C) That it will permit, so long as there are any Bonds Outstanding, any Bondholder to inspect the Facilities and all records and accounts thereof under reasonable terms and conditions and after reasonable notice has been given;

(D) That 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 of 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;

(E) That, 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;

(F) That it will make all payments or deposits required under Articles VII and VIII of this Bond Resolution in a timely manner; and

(G) That 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.

Section 11.02. Sale and Disposition of Facilities.

So long as Bonds are outstanding, the University covenants and agrees that it will not sell, dispose of, abandon or change the use of the Facilities, or any part thereof, except under the following conditions:

(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 Facilities, but all moneys realized therefrom shall be treated as a part of the Gross 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 or demolish any portion of the 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 Facilities;

(C) The University may sell or otherwise dispose of (other than as provided in Paragraphs (A) and (B) of this Section 11.02) any portion of the Facilities, provided that:

(1) The Board of Trustees 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 fair 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 applied either (a) to the Improvement Fund, or (b) to the partial payment and redemption of the Bonds in the manner provided for redemptions in this Bond Resolution;

(3) The Board of Trustees shall have obtained the 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

(4) The University shall have obtained any approvals required by State law; or

(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 Facilities, to a 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 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 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 and any such increased covenant shall be set forth in the form of the Bond of that Series and each subsequent Series;

(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 of a deed capable of being recorded, and the consent of any Insurer that would be affected, but no such modification

or alteration shall, without the consent of the Holders of all Bonds affected by such change or modification:

(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 of the Facilities prior to or equal 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; or

(G) Reduce the percentage required for the written consent to the modification or alteration of the provisions of this Bond Resolution.

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.

Section 12.04. Notification of Amendments.

The University shall publish or cause to be published at least once, not more than sixty (60) days after the effective date of any amendment, in a financial newspaper printed in the English language in New York, New York, notice of such amendments, which notice shall be satisfactory with and approved by the Trustee. It shall not be necessary to publish the complete text of the amendments, providing that a summary thereof is published or reference is given as to where a Bondholder may receive a copy of the complete amendments.

[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 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 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 Facilities, or of the revenues thereof, 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 Facilities, 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 Facilities 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 any Series Resolution 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, letter of credit or similar instrument 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, 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 Facilities. Such receiver shall be given full power to fix rentals and charges for the 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 such Facilities, and to apply the income and revenues of such Facilities 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 are credited to any fund under this Bond Resolution; and

(2) As promptly as practicable after receipt thereof, all Gross Revenues.

(B) During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, Gross Revenues, 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 Facilities;

(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, and

(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 14.06 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 14.09.

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 Appoint 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 Debt Service Funds and any Debt Service Reserve Fund; and

(B) To submit 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) A report setting forth balances on hand;

(2) An appropriate investment report for funds handled by the Trustee;
and

(3) A report establishing the sufficiency of each Debt Service Fund and any 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 Series of Bonds, the Trustee appointed pursuant to this Article XV 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 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.

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 maintaining a report listing all Bonds, if any, paid and cancelled, 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 or trust company or other entity 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 the State Treasurer or a bank or trust company or other entity 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, the Registrar and the Trustee. The Paying Agent may be removed at any time at the direction of the University, by an instrument filed with the Registrar 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 terminate. Bonds shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances:

(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 a 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 the 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 Insurer shall be deemed the exclusive Holder of all Bonds insured by that Insurer, for the purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies. No rights granted to an Insurer by this Bond Resolution shall be effective at any time that such Insurer is in breach of its obligations under the Municipal Bond Insurance Policy or is subject to bankruptcy or receivership proceedings, 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 Insurer with respect to a Series of Bonds shall result in the acceleration of all Bonds of all Series and (b) any acceleration may be annulled only with the consent of each Insurer of a Series of Bonds.

(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 Insurers hereunder without the prior written consent of each such Insurer.

(C) To the extent that an 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 Insurer's rights as subrogee on the registration books of the University maintained by the Trustee or Registrar upon receipt of proof from the 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 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 Insurer or its agent.

(D) In the event that the principal of and/or interest on any Bonds shall be paid by the Insurer pursuant to the terms of its Municipal 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 all covenants, agreements and other obligations of the University to the registered Holders shall continue to exist, and the 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 Insurer's Municipal 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 an Insurer

nder such terms and provisions of this Bond Resolution or the applicable Series Resolution or any agreement between such Insurer and the University.

Section 17.02. Purpose of Covenants in 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 provider of a surety bond, letter of credit or similar instrument as contemplated under Section 7.04(D) hereunder 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, letter of credit or similar instrument 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 the 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. Table of Contents and Section Headings Not Controlling.

The Table of Contents and the Headings of the several Articles and Sections of this Bond 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 Bond Resolution.

Section 17.06. 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]

EXECUTED THIS 1st day of December, 1997.


Chairman, Board of Trustees of Clemson University,
South Carolina

Attest:


Secretary, Board of Trustees, Clemson University,
South Carolina

A RESOLUTION

APPROVING THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF HIGHER EDUCATION REVENUE BONDS OF CLEMSON UNIVERSITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$54,000,000; 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 147 of the Code of Laws of South Carolina 1976, as amended (the "Enabling Act") to make provision for the issuance of higher education revenue bonds ("Higher Education Revenue Bonds") to financing or refinancing in whole or in part the cost of the acquisition, construction, reconstruction, renovation and improvement of land, buildings and other improvements to real property and equipment for the purpose of providing facilities serving the needs of the University including, but not limited to, dormitories, apartment buildings, dwelling houses, bookstores and other stores operated by the University, laundry, dining halls, cafeterias, parking facilities, student recreational, entertainment and fitness related facilities, inns, conference and other nondegree educational facilities and similar auxiliary facilities of the University and other facilities which are auxiliary to any of the foregoing, excluding, however, athletic department projects which primarily serve varsity athletic teams of the University (the "Facilities") and to issue bonds payable from the operation, sale, lease, or other disposition of the Facilities in order to finance such construction and improvements.

WHEREAS, on December 1, 1997, the Board of Trustees adopted a resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF 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 Higher Education Revenue Bonds of a particular series pursuant to the provisions of a series resolution of the Board of Trustees, provided all conditions required by the Bond Resolution are met. Pursuant to the Bond Resolution, the Board of Trustees previously issued and there remain outstanding Higher Education Revenue Bonds of the University.

WHEREAS, on July 22, 2022, the Board of Trustees adopted a series resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF HIGHER EDUCATION REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING FIFTY-FOUR MILLION DOLLARS (\$54,000,000), AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO" (the "2022 Series Resolution") authorizing the issuance of Higher Education Revenue Bonds, Series 2022 (the "Series 2022 Bonds") to defray the costs to construct, reconstruct, renovate, and equip certain student housing facilities on the

campus of the University, including a portion of the Bryan Mall high-rise residence halls, and related infrastructure and improvements (the "Project").

WHEREAS, the 2022 Series Resolution authorized the use of proceeds of the Series 2022 Bonds for the purposes of: (i) reimbursing the University for capital expenditures previously made in connection with, and paying the costs of, the Project; (ii) paying the principal of and interest on any Series 2022 Notes whether at maturity or early redemption; and (iii) paying certain costs and expenses related to the issuance of the Series 2022 Bonds, including paying the costs of any credit enhancement thereof.

WHEREAS, the 2022 Series Resolution also authorizes the issuance of notes (the "Series 2022 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 2022 Bonds for the purpose for which the Series 2022 Bonds may be issued, and further authorizes the renewal or refunding of Series 2022 Notes until such time as officials of the University and the State Treasurer determine to issue the Series 2022 Bonds. The proceeds of any Series 2022 Notes issued pursuant to the 2022 Series Resolution shall be applied for the purpose for which proceeds of the Series 2022 Bonds may be applied, to provide for the renewal or refunding of any Series 2022 Notes, or to provide for the costs of issuance thereof, or any combination thereof. Article VI of the 2022 Series Resolution provides that the Chief Financial Officer and the State Treasurer must determine that the issuance of Series 2022 Notes, including any refunding or renewal Series 2022 Notes, is in the best interest of the University prior to the issuance of Series 2022 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 2022 Bonds and the Series 2022 Notes, and other matters related thereto, as set forth in the 2022 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 2022 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 2022 Series Resolution.

ARTICLE II

AUTHORIZATION TO ISSUE AND SELL THE SERIES 2022 BONDS AND THE SERIES 2022 NOTES

Section 2.01

The Authority hereby approves and authorizes the issuance and sale of the Series 2022 Bonds in an aggregate principal amount not to exceed \$54,000,000 at public or private sale in accordance with and subject to the terms of the 2022 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 2022 Notes in an aggregate principal amount not to exceed \$54,000,000 at public or private sale in accordance with and subject to the terms of the 2022 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 2022 Notes in anticipation of the Series 2022 Bonds. This approval to issue and sell Series 2022 Notes includes the approval to issue refunding or renewal Series 2022 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: November 9, 2022.



Pope Flynn, LLC
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Columbia, SC 29201
MAIN 803.354.4900
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October 26, 2022

South Carolina State Fiscal Accountability Authority
Columbia, South Carolina

Re: Not Exceeding \$54,000,000 Clemson University, South Carolina Higher Education
Revenue Bonds, Series 2022

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 October 26, 2022 (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 147 of the Code of Laws of South Carolina 1976, as amended (the "Act") for the purpose of constructing, reconstructing, renovating, and equipping certain student housing facilities on the campus of the University, including a portion of the Bryan Mall high-rise residence halls, and related infrastructure and improvements.

In that capacity, we have examined originals or copies of the Petition, the Bond Resolution duly adopted on December 1, 1997 by the Board of Trustees of the University (the "Board of Trustees"), a Series Resolution duly adopted by the Board of Trustees on July 22, 2022 (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.

¹ Transmitted by Pope Flynn, LLC to Delbert H. Singleton, Jr., as SFAA Secretary by transmittal letter dated October 26, 2022.

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 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, appearing to read "Pope Flynn LLC", with a stylized flourish at the end.

Pope Flynn, LLC



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_____, 2022

Board of Trustees of Clemson University
Clemson, South Carolina

Re: \$_____ Clemson University, South Carolina Higher Education Revenue
Bonds, Series 2022

Ladies and Gentlemen:

We have acted as bond counsel to Clemson University (the "University") in connection with the issuance by the University of its \$_____ Higher Education Revenue Bonds, Series 2022 (the "Series 2022 Bonds"). The Series 2022 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 December 1, 1997 (the "Bond Resolution"); a series resolution adopted by the Board of Trustees on July 22, 2022 (the "2022 Series Resolution," and together with the Bond Resolution, the "Resolution"); an approving resolution adopted by the State Fiscal Accountability Authority on November 1, 2022; and the Constitution and statutes of the State of South Carolina, including particularly Title 59, Chapter 147 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 2022 Bonds, as the same shall become due, are payable solely from the Net Revenues and Additional Funds.

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 2022 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 Additional Funds pledged by the Resolution for the security of the Series 2022 Bonds on a parity with other Bonds

issued or to be issued under the Resolution, and, as to the Additional Funds, on a parity with the Parity Bonds issued or hereafter issued.

4. The Series 2022 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 Additional Funds as provided in the Resolution. The purposes to which the proceeds of the Series 2022 Bonds will be applied are authorized by the Enabling Act. The Series 2022 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 2022 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 for tax years beginning after December 31, 2022.

6. Under existing law, both the Series 2022 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 2022 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 2022 Bonds and the enforceability of the Series 2022 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 2022 Bonds, or regarding the perfection or priority of the lien on the Net Revenues and the Additional Funds 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 2022 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

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF November 9, 2022

ITEM NUMBER 8

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 the bonds will defray a portion of the costs to demolish the existing Lehotsky Hall, and to construct, improve, and furnish a new academic facility and related improvements and infrastructure to house the Department of Forestry and Environmental Conservation and the Department of Parks, Recreation and Tourism Management on the campus of the University, 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.

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 10/26/2022 letter with attachments; NDIF; SFAA Resolution



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 11/09/22

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H12 Issuer: State of South Carolina Series: 2023
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: \$ 44,340,000

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

Submitted By:

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

Final Production/Par Amt: \$ -

Transaction Type/Method of Sale:

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

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

MSRB (EMMA) Continuing Disclosure Responsible Party: Office of State Treasurer

2. FINANCING (NEW PORTION)

Project #: 9942 Project Name: Lehotsky Hall Replacement
Project Address/Location: Main Campus, Clemson University Amount: \$ 50,000,000
Project Type: Replace Existing Facilities County: Pickens
Projected Avg Interest Rate: 3.63% (All-In TIC) Final Maturity: 4/1/2043 (Preliminary)

3. FINANCING (REFUNDED PORTION)

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

4. FINANCING WORKING GROUP

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

5. FINANCING/PROJECT DESCRIPTION

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

The bonds will provide proceeds necessary to demolish the existing Lehotsky Hall, and to construct, improve, and furnish a new academic facility and related improvements and infrastructure to house the Department of Forestry and Environmental Conservation and the Department of Parks, Recreation and Tourism Management on the campus of the University, and to pay the costs of issuance thereof. Costs of issuance of the bonds are calculated at the anticipated par amount of \$44.3 million in accordance with the approved fee schedule for counsel, published schedules of rating agencies, past experience, and to take into account that certain larger items, such as the underwriter's discount, will not be known until the pricing of the bonds and will vary with market conditions. Costs of issuance as listed in Section 8 and Section 9 assume a stand-alone issuance. The Office of State Treasurer may issue the bonds as part of a larger transaction to reduce costs if appropriate.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	07/22/22	Adopted
JBRC Approval:	10/18/22	Proposed
SFAA Approval:	11/09/22	Proposed

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	07/22/22	Adopted
JBRC Approval:	10/18/22	Proposed
SFAA Approval:	11/01/22	Proposed

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes No

☐ ☒

☐ ☒

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
\$ 6,294,433	6/30/2023	Costs of issuance and project costs (incl. reimbursement)
10,575,000	6/30/2024	Project costs
19,575,000	6/30/2024	Project costs
11,700,000	6/30/2025	Project costs
2,269,000	6/30/2025	Project costs (partial year through January 2025)
-		
\$ 50,413,433		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par (b) Premium/Accr. Int.	\$ 44,340,000 6,073,433	\$ 50,000,000	Project Fund
(2) Issuer/Borrower Contr.	-	-	Capitalized Interest Fund
(3) Debt Service Fund Trans.	-	-	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	-	-	Redemption Price/Escrow Deposit
(5) Other (Specify) Type - Type -	- - -	413,433	Cost of Issuance (Incl. UW Disc.)
(6) SCHFDA MFHRB Sources (a) LIHTC (a) State Housing TC (c) Owner's Equity/Other	- - -	-	Accrued Interest
		-	Other
		-	Other
		-	Other
		-	Other
		-	Other
		-	Other
		-	Other
Total Project Sources	\$ 50,413,433	\$ 50,413,433	Total Project Uses
Surplus/Deficit		\$ -	

9. ESTIMATED/ACTUAL BOND COI EXPENDITURES (** Added COI entities beyond the following need an attached description **)

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	PRAG			\$ 35,000	\$ -	\$ 35,000
Bond Counsel	Pope Flynn, LLC			25,000	-	25,000
Disclosure Counsel	Howell Linkous & Nettles			25,000	-	25,000
Issuer's Counsel				-	-	-
Underwriter's Counsel				-	-	-
Transaction Counsel				-	-	-
Legal Expenses				-	-	-
				-	-	-
Rating Agency - S&P				31,750	-	31,750
Rating Agency - Moody's				26,500	-	26,500
Rating Agency - Fitch				27,000	-	27,000
Underwriter's Compensation	TBD - Competitive			221,700	-	221,700
Registrar / Paying Agent	U.S. Bank National Assoc.			10,000	-	10,000
Escrow Agent				-	-	-
Accountant				-	-	-
Verification Agent				-	-	-
Printing	ImageMaster			3,000	-	3,000
Publishing	IPREO			1,500	-	1,500
Advertising	Bond Buyer			1,500	-	1,500
Contingency				5,483	-	5,483
Issuer's Fee	SC JEDA / SC SHFDA			-	-	-
				\$ 413,433	\$ -	\$ 413,433

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

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

0.08%	#DIV/0!
0.06%	#DIV/0!
0.11%	#DIV/0!
0.19%	#DIV/0!

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

0.50%	#DIV/0!
0.05%	#DIV/0!
0.93%	#DIV/0!



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

MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

October 26, 2022

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

Re Not Exceeding \$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 November 9, 2022, 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 22, 2022, making application to the Authority in connection with the Bonds;
3. A proposed form of opinion of Bond Counsel; and
4. A proposed form of Bond Resolution of the Authority (an electronic copy is being provided contemporaneously with this letter).

We have provided the Office of State Treasurer with copies of the Bond Counsel request form, the New Debt Information Form (NDIF) – Initial Form, and a copy of this submission package. Please let us know should you require anything further or if you have any questions regarding the enclosed.

Best regards,



Gary T. Pope, Jr.

c: Robert Macdonald, Director, Debt Management Division, Office of State Treasurer
Rick Petillo, Chief Financial Officer, Clemson University

Enclosures

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: 10/26/2022

**Submitted for SFAA Meeting
on:** 11/9/2022

FROM: Pope Flynn, LLC

1411 Gervais Street, Suite 300
P.O. Box 11509
Columbia, SC 29211

RE: N/E \$51,000,000 of State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2022

Project Name: Lehotsky Hall Replacement.

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 22, 2022

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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 refurnish the buildings of and other permanent improvements to the University; (ii) to defray the costs of acquiring or improving land needed as sites for such improvements or for the campus of the University; and (iii) to reimburse the University for expenses incurred in anticipation of the issuance of such bonds.

(c) The Board of Trustees has determined that a current need exists to demolish the existing Lehotsky Hall, and to construct, improve, and furnish a new academic facility and related improvements and infrastructure to house the Department of Forestry and Environmental Conservation and the Department of Parks, Recreation and Tourism Management on the campus of the University (the "Project").

(d) The University estimates that the total cost of the Project will be approximately \$50,000,000. In order to fund a portion of the projected costs of the Project, and taking into account other available resources, the Board of Trustees now desires to make application to the State Authority to issue not exceeding 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, 2021 through June 30, 2022, tuition fees available to pay debt service on State Institution Bonds amounted to the sum of \$54,118,535.

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 refurnishing 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.

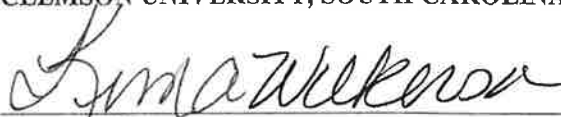
SECTION 16. Repeal of Inconsistent Resolutions. All resolutions of the Board of Trustees, and any part of any resolution, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

SECTION 17. Effectiveness of this Resolution. This Resolution shall become effective upon its adoption.

DONE IN MEETING DULY ASSEMBLED this 22nd day of July 2022.

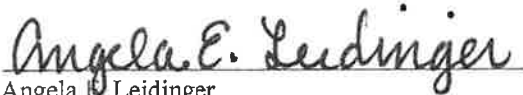
CLEMSON UNIVERSITY, SOUTH CAROLINA

(SEAL)



Kim A. Wilkerson
Chair of the Board of Trustees

Attest:



Angela E. Leiding
Executive Secretary to the Board of Trustees

EXHIBIT A

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	\$ 2,323
Matriculation ¹	5	5
Part-Time ²	77	204
Matriculation ¹	5	5
Graduate		
Full-Time ¹	860	2,085
Matriculation ¹	5	5
Part-Time ²	77	184
Matriculation ¹	5	5
Graduate Assistant ¹	10	10
Matriculation ¹	5	5

¹ Per Semester.

² Per Credit Hour.

For the fiscal year ended June 30, 2022, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$54,118,535. The tuition and fees generated for the 2022 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 \$30,519,825*, which is anticipated to occur in the fiscal year ending June 30, 2024.

* 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 21, 2023	\$ 1,255,000	\$ 1,473,039	\$ 2,728,039
June 21, 2024	1,850,000	2,096,312	3,946,312
June 21, 2025	1,905,000	2,040,812	3,945,812
June 21, 2026	1,965,000	1,980,805	3,945,805
June 21, 2027	2,025,000	1,917,335	3,942,335
June 21, 2028	2,095,000	1,850,510	3,945,510
June 21, 2029	2,165,000	1,778,233	3,943,233
June 21, 2030	2,245,000	1,700,509	3,945,509
June 21, 2031	2,325,000	1,618,118	3,943,118
June 21, 2032	2,410,000	1,531,163	3,941,163
June 21, 2033	2,505,000	1,438,137	3,943,137
June 21, 2034	2,610,000	1,335,181	3,945,181
June 21, 2035	2,720,000	1,222,951	3,942,951
June 21, 2036	2,840,000	1,102,183	3,942,183
June 21, 2037	2,970,000	972,963	3,942,963
June 21, 2038	3,110,000	834,858	3,944,858
June 21, 2039	3,255,000	687,444	3,942,444
June 21, 2040	3,415,000	530,879	3,945,879
June 21, 2041	3,580,000	364,227	3,944,227
June 21, 2042	3,755,000	187,375	3,942,375
Total	\$ 51,000,000	\$ 26,663,030	\$ 77,663,030

* 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, 2023	\$ 15,695,000	\$ 10,872,251	\$ 26,567,251
June 30, 2024	15,260,000	11,313,513	26,573,513
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>\$ 284,625,000</u>	<u>\$ 107,260,539</u>	<u>\$ 391,885,539</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 21, 2023	\$ 16,950,000	\$ 12,345,290	\$ 29,295,290
June 21, 2024	17,110,000	13,409,825	30,519,825
June 21, 2025	17,925,000	12,591,325	30,516,325
June 21, 2026	18,785,000	11,730,317	30,515,317
June 21, 2027	19,675,000	10,843,398	30,518,398
June 21, 2028	20,515,000	9,998,723	30,513,723
June 21, 2029	21,380,000	9,131,645	30,511,645
June 21, 2030	21,730,000	8,480,834	30,210,834
June 21, 2031	22,160,000	7,543,743	29,703,743
June 21, 2032	18,070,000	6,679,431	24,749,431
June 21, 2033	18,585,000	6,018,930	24,603,930
June 21, 2034	19,135,000	5,326,662	24,461,662
June 21, 2035	17,320,000	4,602,020	21,922,020
June 21, 2036	17,835,000	3,931,883	21,766,883
June 21, 2037	14,720,000	3,231,413	17,951,413
June 21, 2038	10,180,000	2,622,108	12,802,108
June 21, 2039	10,660,000	2,137,894	12,797,894
June 21, 2040	10,765,000	1,628,279	12,393,279
June 21, 2041	10,795,000	1,103,727	11,898,727
June 21, 2042	11,330,000	566,125	11,896,125
Total	\$ 335,625,000	\$ 133,923,569	\$ 469,548,569

* Preliminary, subject to change.

EXHIBIT E

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, 2022	\$ 54,118,535
Multiplied by	90%
Produces	\$ 48,706,682
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>\$ 30,519,825*</u>
Margin	\$ 18,186,857

* Preliminary, subject to change.

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING FIFTY-ONE MILLION DOLLARS (\$51,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

BOND RESOLUTION

Adopted November 9, 2022

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A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING FIFTY-ONE MILLION DOLLARS (\$51,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

ARTICLE I FINDINGS OF FACT

As an incident to the adoption of this resolution (this "Resolution") and the issuance of the bonds provided for herein, the South Carolina State Fiscal Accountability Authority (the "Authority") finds that the facts set forth in this Article exist, and that the statements made with respect thereto are true and correct. Capitalized terms used and not otherwise defined herein have the meanings given to such terms in Article II of this Resolution.

Section 1.01 General Findings of Authorization.

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

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

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

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

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

Pursuant to the provisions of a resolution adopted by the Board of Trustees of the University (the "Board of Trustees") on July 22, 2022 (the "Board Resolution"), the Board of Trustees has requested the Authority to authorize the Governor and the State Treasurer (each as defined herein) to issue General Obligation State Institution Bonds pursuant to the Enabling Act in the aggregate principal amount of not exceeding \$51,000,000 to provide funds: (i) to demolish the existing Lehotsky Hall, and to construct, improve, and furnish a new academic facility and related improvements and infrastructure to house the Department of Forestry and Environmental Conservation and the Department of Parks, Recreation and Tourism Management on the campus of the University, (ii) to reimburse the University for expenses incurred in anticipation of the issuance of such State Institution Bonds ((i) and (ii), collectively, the "Project"); and (iii) to pay for expenses related to the issuance of such State Institution Bonds. Moreover, the Board Resolution constituted the application to the Authority required by Section 59-107-40 of the Enabling Act and the provisions thereof contained all information necessary for the Authority to approve the application and authorize the issuance of such State Institution Bonds.

(c) The Authority has reviewed the Board Resolution and has determined to cause the issuance of not exceeding 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 \$284,625,000 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, 2022, 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, 2022;

(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 \$335,625,000.*

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):

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

“Paying Agent” means any bank, trust company, or national banking association which is authorized to pay the principal or Redemption Price of, or interest on any Bonds or BANs, and having the duties, responsibilities and rights provided for in this Resolution, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Paying Agent may also act as Registrar.

“Person” means an individual, a partnership, a corporation, a trust, a trustee, an unincorporated organization, or a government or an agency or political subdivision thereof.

“Principal Installment” means, as of any date of calculation, the principal amount of all Bonds due on a specified date.

“Private Business Use” means “private business use” as that term is defined in Section 141 of the Code, any successor provision and any regulations promulgated thereunder.

“Record Date” means the 15th day immediately preceding each Bond Payment Date.

“Redemption Price” when used with respect to a Bond or portion thereof to be redeemed, means the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Resolution.

“Registrar” means any bank, trust company, or national banking association which is authorized to maintain an accurate list of those who from time to time shall be the Holders of the Bonds or BANs and shall effect the exchange and transfer of the Bonds or BANs in accordance with the provisions of this Resolution and having the duties, responsibilities, and rights provided for in this Resolution and its

successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Registrar may also act as Paying Agent.

“Resolution” means this Resolution as the same may be amended or supplemented from time to time in accordance with the terms hereof.

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

“Series” or “Series of Bonds” means a series of Bonds issued pursuant to the authorizations of the Enabling Act and this Resolution.

“South Carolina Code” means the Code of Laws of South Carolina 1976, as amended.

“State” means the State of South Carolina.

“State Request” means a written request of the State signed by an Authorized Officer.

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

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

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

Section 2.02 Construction.

In this Resolution, unless the context otherwise requires:

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

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

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

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

[End of Article II]

ARTICLE III ISSUANCE OF BONDS

Section 3.01 Request to Governor and State Treasurer.

The Governor and the State Treasurer are hereby requested to effect the issuance of not to exceed \$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 2022." 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 to (i) issue, exchange or transfer any Bond during the 15 days next preceding any Bond Payment Date, (ii) issue, exchange or transfer any Bonds during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption, or (iii) transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 3.12 Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If any mutilated Bond is surrendered to the Registrar and the Registrar and the State receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and there is delivered to the Registrar or the State such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice that such Bond has been acquired by a bona fide purchaser, the State shall execute and, upon State Request, the Registrar shall authenticate and deliver, in exchange for any such mutilated Bond or in lieu of any such destroyed, lost or stolen Bond, a new Bond of like tenor, and principal amount and redemption provisions, bearing a number unlike that of a Bond contemporaneously Outstanding. The Registrar shall thereupon cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the State in its discretion may, instead of issuing a new Bond, pay such Bond.

(b) Upon the issuance of any new Bond under this Section 3.12, the State may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees or other fees, of the State or the Registrar connected therewith.

(c) Each new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond shall constitute an additional contractual obligation of the State, whether or not the destroyed, lost

or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued pursuant to this Resolution. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section 3.13 Holder as Owner of Bond.

The State, the Registrar and any Paying Agent may treat the Holder of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal Installment, Redemption Price and interest on such Bond and for all other purposes, and payment of the Principal Installment, Redemption Price and interest shall be made only to, or upon the order of, such Holder. All payments to such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the State nor any Paying Agent shall be affected by any notice to the contrary.

Section 3.14 Cancellation of Bonds.

The Registrar shall destroy all Bonds surrendered to it for cancellation and shall deliver a certificate to that effect to the State. No such Bonds shall be deemed Outstanding under this Resolution and no Bonds shall be issued in lieu thereof.

Section 3.15 Payments Due on Saturdays, Sundays and Holidays.

In any case where the Bond Payment Date or redemption date shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of the interest on or Principal Installment or Redemption Price of the Bonds need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the Bond Payment Date and no interest shall accrue for the period after such date.

Section 3.16 Conditions Relating to Naming of Interest Rates.

The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds reflect the lowest interest cost to the State at a price of not less than par, but:

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

provided, however, that the State Treasurer may determine, in his discretion and upon advice received, to waive, modify, amend, or vary the conditions described above (whether prior to the offer for sale of the Bonds, or subsequent to such offer but prior to the award of the Bonds), in order to (i) limit net Bond proceeds, (ii) maintain compliance with constitutional and statutory debt limitations, (iii) maintain level

annual debt service within each Fiscal Year, (iv) achieve a more favorable interest rate at the sale of the Bonds and (v) establish a maximum interest rate or maximum interest rates as necessary to maintain compliance with the provisions of the Enabling Act. In addition to the foregoing, the State Treasurer may establish additional terms and conditions for the sale of the Bonds, not inconsistent herewith, prior to the publication of the Notice of Sale (as defined herein).

Section 3.17 Tax Exemption in South Carolina.

Both the Principal Installments and interest on the Bonds shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed by the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes.

Section 3.18 Pledge of Full Faith, Credit and Taxing Power.

For the payment of the Principal Installment and interest on the Bonds as the same respectively mature, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged. In accordance with the provisions of Section 11-29-30 of the South Carolina Code, and in order to provide for the punctual payment of the Principal Installments and interest on the Bonds herein authorized, the State Treasurer is directed to set aside from the Tuition Fees received in each Fiscal Year in which the interest on and Principal Installment of the Bonds are due or will become due so much of the revenues derived from such Tuition Fees as may be necessary in order to pay the interest on and the Principal Installment of all Bonds falling due in such Fiscal Year and the State Treasurer shall thereafter apply such moneys to the punctual payment of such principal and interest as the same respectively fall due. In the event that the revenues derived from the Tuition Fees so pledged prove insufficient to meet the payments of the interest on and the Principal Installment of such Bonds in such Fiscal Year, then the State Treasurer is authorized and directed to set aside from the general tax revenues of the State received in such Fiscal Year so much of such general tax revenues as become needed for such purpose and to apply the same to the punctual payment of the interest on and the Principal Installment of such Bonds due or to become due in such Fiscal Year.

In accordance with the provisions of Article X, Section 13, Paragraph 4 of the South Carolina Constitution if any time any payment of Principal Installment of or interest on the Bonds shall not be paid as and when the same become due and payable, the State Comptroller General shall forthwith levy and the State Treasurer shall collect an *ad valorem* tax without limit as to rate or amount upon all taxable property within the State sufficient to meet the payment of the Principal Installments and interest on the Bonds then due.

Section 3.19 Tuition Fee Deposits.

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

Section 3.20 Bonds Issued in Book-Entry Only Form.

(a) Unless otherwise determined by the State Treasurer, the Bonds will initially be issued under a book-entry only system in fully registered form, registered in the name of Cede & Co. as the registered owner and securities depository nominee of The Depository Trust Company, New York, New

York ("DTC"), which will act as initial securities depository for the Bonds. So long as the Bonds are being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bonds will be effected pursuant to rules and procedures established by such securities depository. DTC and any successor securities depositories are hereinafter referred to as the "Securities Depository." Cede & Co. and successor securities depository nominees are hereinafter referred to as the "Securities Depository Nominee."

(b) So long as a book-entry system is in effect for the Bonds, the Securities Depository Nominee will be recognized as the Holder of the Bonds for the purposes of (i) paying the Principal Installment or Redemption Price of and interest on such Bonds, (ii) if Bonds are to be redeemed in part, selecting the portions of such Bonds to be redeemed, (iii) giving any notice permitted or required to be given to Bondholders under this Resolution, (iv) registering the transfer of Bonds, and (v) requesting any consent or other action to be taken by the Holders of such Bonds, and for all other purposes whatsoever, and the State shall not be affected by any notice to the contrary.

(c) The State shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in any Bonds which are registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as Holder of such Bonds.

(d) The State shall pay the Principal Installment, Redemption Price and interest on Bonds issued under a book-entry system only to the Securities Depository or the Securities Depository Nominee, as the case may be, for such Bonds, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the Principal Installment and interest on such Bonds.

(e) In the event that the State determines that it is in the interest of the State to discontinue the book-entry system of transfer for the Bonds, or that the interests of the beneficial owners of the Bonds may be adversely affected if the book-entry system is continued, then the State shall notify the Securities Depository of such determination. In such event, the Registrar and Paying Agent shall authenticate, register and deliver physical certificates for the Bonds in exchange for the Bonds registered in the name of the Securities Depository Nominee.

(f) In the event that the Securities Depository for the Bonds discontinues providing its services, the State shall either engage the services of another Securities Depository or arrange with a Registrar and Paying Agent for the delivery of physical certificates in the manner described in subsection (e) above.

(g) In connection with any notice or other communication to be provided to the Holders of Bonds by the State or by the Registrar and Paying Agent with respect to any consent or other action to be taken by the Holders of Bonds, the State or the Registrar and Paying Agent, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository Nominee notice of such record date not less than 15 days in advance of such record date to the extent possible.

(h) At the closing of the Bonds and the delivery of the same to the purchaser thereof through the facilities of DTC, the Paying Agent and Registrar may maintain custody of Bond certificates on behalf of DTC in accordance with DTC's "FAST" closing procedures.

(i) For as long as the Bonds are being held under a book-entry system of a securities depository, the State shall remit to the Paying Agent and Registrar by 1:00 p.m. New York time on each Bond Payment Date funds for all principal and interest payments due thereupon, or at such earlier time as required by the Paying Agent and Registrar to guarantee that DTC or successor Securities Depository will receive payment in same-day funds by 2:30 p.m. New York time on such Bond Payment Date. In addition, automated payment details receipt shall be provided by the Paying Agent by 12:00 noon New

York time of each Bond Payment Date for interest payments and by 2:30 p.m. New York time for redemption and corporate action payments.

Section 3.21 Form of Bonds.

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

Section 3.22 Borrowing in Anticipation of Issuance of Bonds.

Pursuant to the BAN Act, there may be issued from time to time at the discretion of the Governor and the State Treasurer BANs in aggregate principal amount not exceeding \$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 appoint a financial institution maintaining corporate trust offices to serve as Registrar and Paying Agent for the BANs.

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

(d) The BANs may be sold at public or private sale. Bids therefor shall be received until such time and date to be selected by the State Treasurer. Notice of sale of the BANs shall be given in a manner determined by the State Treasurer. Upon receipt of bids for the BANs, the Governor and the State Treasurer shall, and they are hereby authorized to, award the BANs to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the notice of sale and determined at the State Treasurer's discretion, without further action on the part of the Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award.

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

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

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

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

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

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

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

[End of Article III]

ARTICLE IV
REDEMPTION OR PURCHASE OF BONDS

Section 4.01 Authorization of Redemption.

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

Section 4.02 State's Election to Redeem.

In the event that the State shall elect to redeem Bonds, it shall give notice by State Request to the Registrar and Paying Agent of each optional redemption, which notice may be conditional in the discretion of the State Treasurer. Each State Request shall specify the date fixed for redemption and the Bonds which are to be redeemed. Such notice shall be given at least 60 days prior to the date fixed for redemption or such lesser number of days as shall be acceptable to the Registrar.

Section 4.03 Notice of Redemption.

(a) When any Bonds are to be redeemed, the Registrar shall give notice of the redemption of the Bonds in the name of the State specifying: (i) the Bonds, the particular Series thereof, and maturities to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers and other distinguishing marks of the Bonds to be redeemed unless all of the Bonds Outstanding are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; (vi) whether the redemption of the Bonds is conditioned upon any event; and (vii) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section unless such condition has been satisfied as of the redemption date. The Registrar shall mail by registered mail a copy of such notice, postage prepaid, not less than 30 days before the redemption date to the registered Holders of all the Bonds or portions of the Bonds which are to be redeemed at their addresses which appear upon the registration books, but failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of the Bonds held by Holders to whom written notice has been mailed. The obligation of the Registrar to give the notice required by this Section shall not be conditioned upon the prior payment to the Paying Agent of money or the delivery to the Paying Agent of Authorized Investments or Government Obligations sufficient to pay the Redemption Price of the Bonds to which such notice relates or the interest thereon to the redemption date.

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

interest until paid at the same rate as they would have borne, had they not been called for redemption, until the same shall have been paid.

Section 4.04 Selection by Registrar of Bonds to be Redeemed.

(a) If less than all of the Bonds of like maturity are to be redeemed, the particular Bonds or portions of the Bonds to be redeemed shall be selected, not less than 45 days prior to the date fixed for redemption, by the Registrar by lot or in such other manner as the Registrar may deem to be appropriate, provided, however, that for so long as the Bonds are held in book-entry only form, the selection of Bonds to be redeemed hereunder shall be in accordance with the rules of the Securities Depository.

(b) In making such selection, the Registrar shall treat each Bond to be redeemed as representing that number of Bonds of the lowest authorized denomination as is obtained by dividing the principal amount of such Bond by such denomination. If any Bond is to be redeemed in part, the portion to be so redeemed shall be in a principal amount of an authorized denomination.

(c) The Registrar shall promptly notify the State in writing of the Bonds so selected for redemption.

Section 4.05 Deposit of Redemption Price.

On or before any date fixed for redemption of any Bonds, cash and/or a principal amount of non-callable Government Obligations maturing or redeemable at the option of the Holder thereof not later than the date fixed for redemption which, together with income to be earned on such Government Obligations prior to such date fixed for redemption, will be sufficient to provide cash to pay the Redemption Price of and accrued interest on all Bonds or portions thereof which are to be redeemed on such date, shall be deposited with the Paying Agent unless such amount shall have been previously deposited with the Paying Agent. Provided, however, that in the event of a conditional redemption such condition is not met, this Section 4.05 is inapplicable.

Section 4.06 Partial Redemption of Bonds.

In the event part but not all of a Bond Outstanding shall be selected for redemption, upon presentation and surrender of such Bond by the Holder thereof or his attorney duly authorized in writing (with, if the State or the Registrar so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the State and the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) to the Registrar, the State shall execute and the Registrar shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of any authorized denomination of like tenor. Bonds so presented and surrendered shall be cancelled in accordance with Section 3.14 hereof.

Section 4.07 Purchases of Bonds Outstanding.

Purchases of Bonds Outstanding may also be made by the State at any time with money available to it from any source. Upon any such purchase the State shall deliver such Bonds to the Registrar for cancellation.

[End of Article IV]

ARTICLE V SALE OF BONDS

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

(a) The Bonds shall be sold at public sale on such terms as may be prescribed by the State Treasurer. Bids shall be received until such time and date to be selected by the State Treasurer. The form of the notice of sale shall be substantially similar to that set forth in Exhibit G attached hereto (the "Notice of Sale") and made a part hereof. The Notice of Sale, or, at the election of the State Treasurer, a summary thereof, shall be published in a financial paper published in the City of New York, New York, which regularly publishes notices of sale of state or municipal bonds, which Notice of Sale shall each appear at least once and not less than seven (7) days before the date set for said sale. The Notice of Sale may be combined with a notice of sale for other general obligation bonds of the State being offered for sale at the same time, if any.

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

Section 5.02 Award of Bonds.

Upon receipt of bids for the Bonds, the Governor and the State Treasurer shall, and they are hereby authorized to, award the Bonds to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the Notice of Sale and determined at the State Treasurer's discretion, without further action on the part of the Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award. The State shall have the right to reject all proposals and to re-advertise the Bonds for sale. Any proposal not conforming to the Notice of Sale may be rejected, but the State shall have the right to waive technicalities.

Section 5.03 Official Statement.

The Authority hereby authorizes the State Treasurer to prepare or cause to be prepared and to "deem final," within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, a preliminary official statement relating to the Bonds and to prepare or cause to be prepared and to approve a final official statement following the sale of the Bonds. The Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the Bonds.

Section 5.04 Combined Sales.

If the State Treasurer deems it prudent, the Bonds may be sold in combination with other series of general obligation bonds of the State, the issuance of which shall have been properly authorized and the form and details for which may be provided for in the same preliminary official statement and same final official statement as that for the Bonds.

[End of Article V]

ARTICLE VI
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments.

(a) The proceeds derived from the sale of the Bonds shall be applied and disposed of as follows:

 (i) accrued interest, if any, shall be applied to the payment of the first installment of interest to become due on the Bonds;

 (ii) the premium, if any, shall be applied as determined by the State Treasurer;

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

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

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

(c) Neither the purchaser of the Bonds nor any registered Holder of the Bonds shall be liable for the proper application of the proceeds of the Bonds or the BANs.

[End of Article VI]

ARTICLE VII
DEFEASANCE OF BONDS

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

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

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

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

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

(d) Subject to the provisions of Section 59-107-200 of the Enabling Act, if applicable, if the State shall elect to provide for the payment of the Bonds prior to their stated maturities and shall have deposited with the Escrow Agent in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with said Escrow Agent at the same time, shall be sufficient to pay when due the Principal Installment or Redemption Price to become due on their maturity dates or redemption dates, as the case may be, on the Bonds on and prior to their maturity dates or redemption dates, and interest due on the Bonds on or prior to their maturity or redemption dates, as the case may be. In the event that the State shall elect to redeem Bonds prior to their stated maturities, the State shall proceed in the manner prescribed by Article IV hereof, subject to the provisions of Section 3.20 in the event that at the time of such election the Bonds Outstanding are issued in book-entry only form.

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

Section 7.02 Notice of Defeasance.

Upon the defeasance of the Bonds, all notices required by the South Carolina Code and the Continuing Disclosure Undertaking shall be given.

[End of Article VII]

ARTICLE VIII
CONCERNING THE FIDUCIARIES

Section 8.01 Fiduciaries; Appointment and Acceptance of Duties.

Each Fiduciary shall accept the duties and trusts imposed upon it by this Resolution and shall agree in writing to perform such trusts but only upon the terms and conditions set forth in this Article VIII. Similarly, each financial institution appointed as a successor Registrar, a successor Paying Agent or successor Escrow Agent shall signify its acceptance of the duties and trusts imposed by this Resolution by a written acceptance.

Section 8.02 Responsibilities of Fiduciaries.

The recitals of fact herein and in the Bonds contained shall be taken as the statements of the State and no Fiduciary assumes any responsibility for the correctness of the same except in respect of the authentication certificate of the Registrar endorsed on the Bonds. No Fiduciary makes any representations as to the validity or sufficiency of this Resolution or of any Bonds or as to the security afforded by this Resolution, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof or to advance any of its own moneys, unless indemnified to its reasonable satisfaction. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Section 8.03 Evidence on Which Fiduciaries May Act.

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the State, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

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

Section 8.04 Compensation.

The State shall pay to each Fiduciary from time to time reasonable compensation based on the then standard fee schedule of the Fiduciary for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution; provided, however, that any specific agreement between the State and a Fiduciary with respect to the compensation of such Fiduciary shall control the compensation to be paid to such Fiduciary.

Section 8.05 Certain Permitted Acts.

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

Section 8.06 Resignation of Any Fiduciary.

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

Section 8.07 Removal of Fiduciary.

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

Section 8.08 Appointment of Successor Fiduciaries.

(a) In case any Fiduciary hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the State Treasurer. Every such Fiduciary appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State, having a stockholders' equity of not less than \$75,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable and customary terms.

(b) If in a proper case, no appointment of a successor Fiduciary shall be made by the State Treasurer pursuant to the foregoing provisions of this Section within 45 days after any Fiduciary shall have given to the State Treasurer written notice as provided in Section 8.06 hereof or after a vacancy in the office of such Fiduciary shall have occurred by reason of its removal or inability to act, the former Fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor.

Section 8.09 Transfer of Rights and Property to Successor.

Any successor Fiduciary appointed under this Resolution shall execute, acknowledge and deliver to its predecessor, and also to the State, an instrument accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary, with like effect as if originally named in such capacity; but the Fiduciary ceasing to act shall nevertheless, upon State Request, or of the successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of the predecessor Fiduciary in and to any property held by it under this Resolution, and shall pay over, assign and deliver to the successor Fiduciary any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the State be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the State. Any such successor Fiduciary shall promptly notify the other Fiduciaries, if any, and any depository of its appointment as Fiduciary.

Section 8.10 Merger or Consolidation.

Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act; provided, however, such company shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Resolution; and further provided, however, that such company otherwise meets the qualifications for successor Fiduciaries set forth in Section 8.08 herein.

Section 8.11 Adoption of Authentication.

In case any of the Bonds contemplated to be issued under this Resolution shall have been authenticated but not delivered, any successor Registrar may adopt the certificate of authentication of any predecessor Registrar so authenticating such Bonds and deliver such Bonds so authenticated. In case any such Bonds shall not have been authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in the name of the successor Registrar, and in all such cases such certificate shall be of full force and effect.

[End of Article VIII]

ARTICLE IX
FEDERAL TAX CONSIDERATIONS

Section 9.01 Compliance with the Code.

The State will comply with all requirements of the Code in order to preserve the tax-exempt status of interest on the Bonds, including without limitation, (i) the requirement to file Form 8038-G, *Information Return for Tax-Exempt Government Obligations*, with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) of the Code. In this connection, the State covenants to execute any and all agreements, certificates and other documentation as it may be advised by bond counsel will enable it to comply with this Article IX, and such agreements, certificates and other documentation may be executed by an Authorized Officer.

Section 9.02 Tax Representations and Covenants.

The State hereby represents and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the Holders thereof for federal income tax purposes pursuant to the provisions of the Code and the United States Treasury Regulations (the "Regulations"). Without limiting the generality of the foregoing, the State represents and covenants that:

(a) All property financed or refinanced with the proceeds of the Bonds will be owned by the State or a political subdivision thereof so long as the Bonds are Outstanding in accordance with the rules governing the ownership of property for federal income tax purposes.

(b) The State shall not use, and will not permit any party to use, the proceeds of the Bonds in any manner that would result in (i) five percent (5%) or more of such proceeds being considered as having been used in a Private Business Use; or (ii) an amount greater than the lesser of five percent (5%) of such proceeds or \$5,000,000 being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

(c) The State is not a party to, and will not enter into or permit any other party to enter into, any contract with any person involving the management of any facility financed or refinanced with the proceeds of the Bonds or by notes paid by the Bonds that does not conform to the guidelines set forth in Revenue Procedure 2017-13, or a successor revenue procedure, Code provision or Regulations.

(d) The State will not sell, or permit any other party to sell, any property financed or refinanced with the Bonds to any person unless it obtains an opinion of nationally recognized bond counsel that such sale will not affect the tax-exempt status of the Bonds.

(e) The Bonds will not be "federally guaranteed" within the meaning of Section 149(b) of the Code. The State shall not enter into, or permit any other party to enter into, any leases or sales or service contract with any federal government agency with respect to any facility financed or refinanced with the proceeds of the Bonds and will not enter into any such leases or contracts unless it obtains the opinion of nationally recognized bond counsel that such action will not affect the tax-exempt status of the Bonds.

Section 9.03 Arbitrage Bonds.

The State hereby covenants and agrees with the Holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds, would have caused the Bonds to be "arbitrage bonds," as defined in the Code, and to that end the State hereby shall:

(a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any Regulations so long as the Bonds are Outstanding;

(b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code and Regulations relating to required rebate of certain amounts to the United States Government;

(c) make such reports of such information at the time and places required by the Code and Regulations; and

(d) take such other action as may be required to assure that the tax-exempt status of the Bonds will not be impaired.

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

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

[End of Article IX]

ARTICLE X MISCELLANEOUS

Section 10.01 Failure to Present Bonds.

Any money held by the Paying Agent in trust for the payment and discharge of any of the Bonds, or the interest thereon, which remains unclaimed for such period of time, after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, that the Holder thereof shall no longer be able to enforce the payment thereof, the Paying Agent shall at the written request of the State pay such money to the State as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the State for the payment of such Bonds; provided, however, the Paying Agent shall forward to the State all moneys which remain unclaimed during a period five (5) years from a Bond Payment Date; and further provided, however, that before being required to make any such payment to the State, the Paying Agent, at the expense of the State, may conduct such investigations as may in the opinion of the Paying Agent be necessary to locate the Holders of those who are entitled to take such funds.

Section 10.02 Severability of Invalid Provisions.

If any one or more of the covenants or agreements provided in this Resolution should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Resolution.

Section 10.03 Resolution to Constitute Contract.

In consideration of the purchase and acceptance of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Resolution, with the exception of the findings of fact in Article I hereof, shall be deemed to be and shall constitute a contract between the State and the Holders from time to time of the Bonds, and such provisions are covenants and agreements with such Holders which the State hereby determined to be necessary and desirable for the security and payment thereof. The pledge hereof and the provisions, covenants, and agreements herein set forth to be performed on behalf of the State shall be for the equal benefit, protection, and security of the Holders of any and all of the Bonds, all of which shall be of equal rank without preference, priority or distinction of any Bonds over any other Bonds.

Section 10.04 Execution of Closing Documents and Certificates.

The Governor, the State Treasurer, the Secretary of State and any other officers or employees of the State are fully authorized and empowered to take such further action and to execute and deliver such closing documents and certificates as may be necessary and proper in order to complete the issuance of the Bonds herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents, in such form as he or they shall approve, is hereby fully authorized.

Section 10.05 Filing of Copies of Resolution.

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

Section 10.06 Benefits of Resolution Limited to the State and Holders of the Bonds.

With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or should be construed to confer upon or give to any Person other than the State and the Holders of the Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the State and the Holders from time to time of the Bonds as herein and therein provided.

Section 10.07 No Personal Liability.

No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the State contained in this Resolution or the Bonds, against any member of the Authority, any officer or employee, as such, in his or her individual capacity, past, present or future, of the State, either directly or through the State, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Resolution and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer or employee as such, past, present or future, of the State, either directly or by reason of any of the obligations, covenants, promises or agreements entered into between the State and Bondholders or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the adoption of this Resolution and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Bonds, expressly waived and released. The immunity of members of the Authority, officers and employees of the State under the provisions contained in this Section shall survive the termination of this Resolution.

Section 10.08 Continuing Disclosure.

(a) In accordance with Section 11-1-85 of the South Carolina Code, the Authority hereby covenants to file with a central repository for availability in the secondary bond market when requested: (i) an annual independent audit, within thirty days of the State's receipt of the audit; and (ii) event specific information, within thirty days of an event adversely affecting more than five percent of the State's revenue or tax base. The only remedy for failure by the State to comply with the covenant in this Section 10.08 shall be an action for specific performance of this covenant. The Authority specifically reserves the right to amend this covenant to reflect any change in said Section 11-1-85 without the consent of any Bondholder.

(b) In addition, the State hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Failure of the State to comply with the Continuing Disclosure Undertaking shall not be considered an event of default hereunder; provided, however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the State to comply with its obligations under this Section 10.08(b). The Continuing Disclosure Undertaking shall be executed by the State Treasurer prior to the delivery of the Bonds and shall be substantially in such form as is set forth in Exhibit H hereto, together with such modifications and amendments thereto as shall be deemed necessary by the State Treasurer upon advice of counsel. Additionally, the form of the Continuing Disclosure Undertaking

shall be amended and modified as necessary to comply with any rules or regulations promulgated by the United States Securities and Exchange Commission. The execution of the Continuing Disclosure Undertaking shall constitute conclusive evidence of the approval by the State Treasurer of any and all modifications and amendments thereto.

Section 10.09 Law and Place of Enforcement of the Resolution.

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

Section 10.10 Effect of Article and Section Headings and Table of Contents.

The heading or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 10.11 Repeal of Inconsistent Resolutions.

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

Section 10.12 Effectiveness of this Resolution.

This Resolution shall become effective upon its adoption.

[End of Article X]

EXHIBIT A

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

Fiscal Year Ending	Existing Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 15,695,000	\$ 6,701,231	\$ 22,396,231
June 30, 2024	15,260,000	11,313,513	26,573,513
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	\$ 284,625,000	\$ 103,089,519	\$ 387,714,519

EXHIBIT B

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

	<u>In-State</u>	<u>Out-of-State</u>
Undergraduate		
Full-Time ¹	\$ 860	\$ 2,323
Matriculation ¹	5	5
Part-Time ²	77	204
Matriculation ¹	5	5
Graduate		
Full-Time ¹	860	2,085
Matriculation ¹	5	5
Part-Time ²	77	184
Matriculation ¹	5	5
Graduate Assistant ¹	10	10
Matriculation ¹	5	5

¹ Per Semester.

² Per Credit Hour.

For the fiscal year ended June 30, 2022, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$54,118,535. The tuition and fees generated for the 2022 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 \$30,244,422*, which is anticipated to occur in the fiscal year ending June 30, 2027.

* Preliminary, subject to change.

EXHIBIT C

CLEMSON UNIVERSITY
 PRO-FORMA DEBT SERVICE REQUIREMENTS OF
 NOT EXCEEDING \$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, 2023	\$ 840,000	\$ 689,090	\$ 1,529,090
June 30, 2024	2,035,000	1,633,993	3,668,993
June 30, 2025	2,080,000	1,585,357	3,665,357
June 30, 2026	2,130,000	1,535,645	3,665,645
June 30, 2027	2,185,000	1,483,460	3,668,460
June 30, 2028	2,240,000	1,429,927	3,669,927
June 30, 2029	2,295,000	1,373,479	3,668,479
June 30, 2030	2,355,000	1,314,727	3,669,727
June 30, 2031	2,415,000	1,252,791	3,667,791
June 30, 2032	2,480,000	1,186,861	3,666,861
June 30, 2033	2,550,000	1,117,421	3,667,421
June 30, 2034	2,630,000	1,038,626	3,668,626
June 30, 2035	2,715,000	951,310	3,666,310
June 30, 2036	2,810,000	856,285	3,666,285
June 30, 2037	2,915,000	754,844	3,669,844
June 30, 2038	3,020,000	646,698	3,666,698
June 30, 2039	3,135,000	531,636	3,666,636
June 30, 2040	3,260,000	409,684	3,669,684
June 30, 2041	3,385,000	280,588	3,665,588
June 30, 2042	3,525,000	144,173	3,669,173
Total	<u>\$ 51,000,000</u>	<u>\$ 20,216,592</u>	<u>\$ 71,216,592</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, 2023	\$ 16,535,000	\$ 7,390,322	\$ 23,925,322
June 30, 2024	17,295,000	12,947,506	30,242,506
June 30, 2025	18,100,000	12,135,869	30,235,869
June 30, 2026	18,950,000	11,285,157	30,235,157
June 30, 2027	19,835,000	10,409,522	30,244,522
June 30, 2028	20,660,000	9,578,140	30,238,140
June 30, 2029	21,510,000	8,726,892	30,236,892
June 30, 2030	21,840,000	8,095,052	29,935,052
June 30, 2031	22,250,000	7,178,416	29,428,416
June 30, 2032	18,140,000	6,335,130	24,475,130
June 30, 2033	18,630,000	5,698,215	24,328,215
June 30, 2034	19,155,000	5,030,107	24,185,107
June 30, 2035	17,315,000	4,330,379	21,645,379
June 30, 2036	17,805,000	3,685,985	21,490,985
June 30, 2037	14,665,000	3,013,294	17,678,294
June 30, 2038	10,090,000	2,433,948	12,523,948
June 30, 2039	10,540,000	1,982,086	12,522,086
June 30, 2040	10,610,000	1,507,084	12,117,084
June 30, 2041	10,600,000	1,020,088	11,620,088
June 30, 2042	11,100,000	522,923	11,622,923
Total	<u>\$ 335,625,000</u>	<u>\$ 123,306,111</u>	<u>\$ 458,931,111</u>

* Preliminary, subject to change.

EXHIBIT E

CLEMSON UNIVERSITY
PROOF SHOWING COMPLIANCE WITH
TITLE 59, CHAPTER 107, CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

Aggregate of tuition fees received by the University during preceding fiscal year ended June 30, 2022	\$ 54,118,535
Multiplied by	90%
Produces	\$ 48,706,682
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)	\$ 30,244,522*
Margin	\$ 18,462,160

* Preliminary, subject to change.

EXHIBIT F

(FORM OF BOND)
(FACE OF BOND)

UNITED STATES OF AMERICA
GENERAL OBLIGATION STATE INSTITUTION BOND
(ISSUED ON BEHALF OF CLEMSON UNIVERSITY), SERIES 20__
OF THE STATE OF SOUTH CAROLINA

No. R-1

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

Registered Holder: CEDE & CO.

Principal Amount: _____ DOLLARS (\$ _____)

THE STATE OF SOUTH CAROLINA (the "State") acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder named above, or registered assigns, the Principal Amount stated above, on the Maturity Date set forth above, unless this Bond be subject to redemption and shall have been redeemed prior thereto as hereinafter provided, upon presentation and surrender of this Bond at the Corporate Trust Office of _____, in the City of _____, State of _____ (the "Paying Agent"), and to pay interest on such Principal Amount at the Rate of Interest set forth above (calculated on the basis of a 360-day year consisting of twelve 30-day months), until the obligation of the State with respect to the payment of such Principal Amount shall be discharged.

So long as Cede & Co., as nominee of The Depository Trust Company ("DTC"), is the Registered Owner of the Bonds, references in this Bond to the Bondholders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners.

The State, the Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purpose of the payment of the principal of or interest or premium, if any, on the Bonds, giving any notice permitted or required to be given to Bondholders under the Resolution, hereinafter defined, registering the transfer of Bonds, obtaining any consent or action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The State, the Registrar and the Paying Agent shall not have any responsibility or obligation to any direct participant, any person claiming a beneficial ownership in the Bonds under or through DTC or any Direct Participant or any other person which is not shown on the Registration Books of the State (kept by the Registrar) as being a Bondholder with respect to: the accuracy of any records maintained by DTC or any Direct Participant; the payment by DTC or any Direct Participant of any amount in respect of the principal of or interest or premium, if any, on the Bonds; any notice which is permitted or required to be given to Bondholders thereunder or under the conditions for transfers or exchanges adopted by the State; or any consent given or other action taken by DTC as a Bondholder.

Interest on the Bonds is payable on ____ 1 and ____ 1 of each year (the "Bond Payment Dates") beginning ____ 1, 20__. The interest payable on any Bond Payment Date for any Bond shall be paid to the

person in whose name the Bond is registered at the close of business on the 15th day next preceding such Bond Payment Date.

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

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

This Bond is one of an issue of Bonds in the aggregate principal amount of _____ million dollars (\$_____,000) of like tenor, except as to registered owner, numbering, rate of interest, redemption provisions, and date of maturity, issued pursuant to and in accordance with the Constitution and statutes of the State of South Carolina, including, particularly the provisions of Chapter 107, Title 59 of the Code of Laws of South Carolina 1976, as amended, as supplemented by Sections 11-27-30 and 11-29-30 of the Code of Laws of South Carolina 1976, as amended, and a resolution (the "Resolution") duly adopted by the South Carolina State Fiscal Accountability Authority on _____, 20__.

[Insert Redemption Provisions]

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution. Certified copies of the Resolution are on file in the office of the Registrar, in the office of the Paying Agent and in the office of the Secretary of State of South Carolina.

For the payment of the principal of and interest on this Bond as the same respectively matures, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged.

This Bond and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

This Bond is issuable only as a fully registered Bond without coupons in denominations of \$1,000 and any whole multiple of \$1,000. This Bond is transferable, as provided in the Resolution, only upon the registration books kept for that purpose at the Corporate Trust Office of the Registrar by the Registered Holder in person or by his duly authorized attorney, upon (i) surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his duly authorized attorney; and (ii) payment of the charges, if any, prescribed in the Resolution. Thereupon a new fully registered Bond or Bonds of like series designation, maturity and interest rate, and in a like aggregate principal amount will be issued to the transferee in exchange therefor as provided in the Resolution. The State, the Paying Agent and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

The State shall not be obligated to issue, exchange or transfer this Bond during the 15 days next preceding any Bond Payment Date. For every exchange or transfer of the Bonds, the State, the Paying

Agent, or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and Statutes of the State of South Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, that the amount of this Bond, together with all other indebtedness of the State of South Carolina, does not exceed any limit prescribed by such Constitution or Statutes, and that provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on this Bond and the issue of Bonds of which this Bond is one.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

IN WITNESS WHEREOF, the State of South Carolina has caused this Bond to be signed in its name by the manual or facsimile signatures of the Governor of South Carolina and the State Treasurer of South Carolina, the Great Seal of the State of South Carolina to be reproduced hereon and the same to be attested by the manual or facsimile signature of the Secretary of State of South Carolina.

THE STATE OF SOUTH CAROLINA

SEAL

Henry D. McMaster
Governor

Curtis M. Loftis, Jr.
State Treasurer

Attest:

Mark Hammond
Secretary of State

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Resolution.

[REGISTRAR], as Registrar

By: _____
Authorized Signatory

Date: _____, 20__

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(please print or type name and address of Transferee and Social Security or other identifying number of Transferee)

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

NOTE: The signature to this assignment must correspond with the name(s) on the face of the foregoing bond in every particular, without alteration.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("Stamp") or similar program.

The following abbreviations shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right
of survivorship and not as
tenants in common

UNIF GIFT MIN ACT _____ Custodian _____
(Cust) (Minor)
Under Uniform Gift to Minors Act of the
State of _____

Additional abbreviations may be used though not in the list above.

(FORM OF OFFICIAL NOTICE OF SALE)

OFFICIAL NOTICE OF SALE

\$ _____^{*}
 STATE OF SOUTH CAROLINA
 GENERAL OBLIGATION STATE INSTITUTION BONDS
 (ISSUED ON BEHALF OF CLEMSON UNIVERSITY)
 SERIES _____

(BOOK-ENTRY-ONLY)

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

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

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

Description of the Bonds. The Bonds will initially be subject to a system of book-entry registration maintained by The Depository Trust Company, New York, New York ("DTC"). Principal of the Bonds when due will be paid upon presentation and surrender of such Bonds at the Corporate Trust Office of the Paying Agent. The Bonds will be dated as of the date of delivery thereof ("Dated Date") expected to be on or about _____, 20____, and bear interest at a rate or rates to be named by the successful bidder (the "Purchaser"). Interest on the Bonds will be payable on _____ 1 and _____ 1 of each year commencing _____ 1, 20____. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on the Bonds will be paid in any coin or currency of the United States of America, which, at the time of payment, is legal tender for the payment of public and private debts. The Bonds will be issued in denominations of \$1,000 or any multiple thereof. The Bonds will mature on _____ 1 in the years and principal amounts as follows:

_____ 1	<u>Principal Amount*</u>	_____ 1	<u>Principal Amount*</u>
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^{*} Subject to adjustment as set forth herein.

Optional Redemption. The Bonds maturing on or prior to ____, 20__, are not subject to optional redemption prior to their maturity date. The Bonds maturing after ____, 20__ are subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State, on and after ____, 20__, at the redemption price of par plus accrued interest to the date fixed for redemption.

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

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

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

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

Electronic Bidding Procedures. Bids to purchase Bonds (all or none) must be submitted electronically via PARITY®. Bids will be communicated electronically to the State at ____ a.m. (Eastern Time) on ____, _____. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via PARITY®, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY® to the State, each bid will constitute an irrevocable and unconditional offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on

PARITY® shall constitute the official time. The State will not accept bids by any means other than electronically via PARITY®.

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

CONDITIONS OF SALE

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

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

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

[Term bonds are not permitted.]

By submitting a bid, each bidder represents that the bidder's proposal is genuine, and not a sham or collusive, and is not made in the interest of or on behalf of any person not therein named, the bidder has not directly or indirectly induced or solicited any other bidder to submit a sham bid or any other person, firm or corporation to refrain from bidding, and the bidder has not in any manner sought by collusion to secure for it an advantage over any other bidder. By submitting a bid for the Bonds, each bidder also represents and warrants to the State that (i) it has an established industry reputation for underwriting new issuances of municipal bonds; and (ii) such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such bidder by an

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

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

Basis of Award. If at least three bids are received and the competitive sale requirements under provision of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) are met, the Bonds will be awarded to the bidder offering to purchase all of the Bonds at the lowest interest cost to the State. The lowest interest cost shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the amount bid, not including interest accrued to the date of delivery (expected to be on or about _____, ____), if any.

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

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

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

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

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

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

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

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

Documents to be Delivered at Closing. The State will furnish, without cost to the Purchaser, the Bonds and the opinions as to their validity by Pope Flynn, LLC, Bond Counsel. The State will also furnish opinions of The Honorable Alan Wilson, Attorney General of the State of South Carolina as to the absence of litigation restraining or enjoining the issuance and delivery of the Bonds.

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

CUSIP Numbers. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Bonds. The State's Financial Advisor will timely apply for CUSIP numbers with respect to the Bonds as required by MSRB Rule G-34. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the State. However, the CUSIP Global Services charge for the assignment of such numbers shall be the responsibility of and shall be paid by the Purchaser.

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

Statement. The final Official Statement shall be in substantially the same form as the Preliminary Official Statement, subject to any additions, deletions or revisions that the State believes are necessary.

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

Additional Information. Prospective purchasers may obtain, in advance of the sale, copies of the Preliminary Official Statement relating to the Bonds from (i) the MuniOS website, <http://www.MuniOS.com>; (ii) Robert Macdonald, Director Debt Management Division, Office of State Treasurer, 122 Wade Hampton Office Building, Columbia, South Carolina 29201 (telephone: (803) 734-2677; email: robert.macdonald@sto.sc.gov); or (iii) Samuel W. Howell IV, Disclosure Counsel, Howell Linkous & Nettles, LLC, The Lining House, 106 Broad Street, Charleston, South Carolina, 29401 (telephone: (843) 266-3801; email: samhowell@bond-law.com).

Henry D. McMaster, Governor of South Carolina

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

Dated _____, 20__

FORM OF ISSUE PRICE CERTIFICATE FOR
QUALIFIED COMPETITIVE BID

ISSUE PRICE CERTIFICATE

\$ _____^{*}
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF CLEMSON UNIVERSITY),
SERIES 20 _____

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

1. Reasonably Expected Initial Offering Price.

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

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

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

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

2. Defined Terms.

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

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

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

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

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

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

Signed this ____ day of _____, ____.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Offering Prices

Schedule B

Copy of Winning Bid

FORM OF ISSUE PRICE CERTIFICATE FOR
NONQUALIFIED COMPETITIVE BID

ISSUE PRICE CERTIFICATE

\$ _____^{*}
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF CLEMSON UNIVERSITY),
SERIES 20 _____

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

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

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

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

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

3. ***Defined Terms.***

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

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

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

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

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

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

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

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

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, _____, 20__.

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

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

Signed this ____ day of _____, 2022.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Initial Offering Prices of the Bonds

Schedule B
Copy of Winning Bid

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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

The Bonds are being issued pursuant to a resolution adopted on _____, 20__ (the "Resolution"), by the State Fiscal Accountability Authority authorizing the issuance of the Bonds. The State covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the State for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the U.S. Securities and Exchange Commission (the "SEC") Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution or elsewhere in this Disclosure Undertaking, which apply to any capitalized terms used in this Disclosure Undertaking, the following capitalized terms shall have the following meanings:

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

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

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

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

"Financial Obligation" as used in this Disclosure Undertaking is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

"Official Statement" means the Official Statement dated _____, 20__, prepared in connection with the Bonds.

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

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

“State” means the State of South Carolina.

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

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

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

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

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

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

Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available;

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

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

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

(e) Total general obligation bonds per capita as set forth in the Official Statement under the heading "TABLES RELATING TO THE BONDS AND THEIR EFFECT ON THE DEBT OF THE STATE-Relationship of Population and Personal Income to General Obligations of the State."

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

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

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, if material;
- (viii) Bond calls, if material and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;

- (xii) bankruptcy, insolvency, receivership or similar event of any obligated person, which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;
- (xiii) the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (xv) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

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

Section 8. Dissemination Agent. The State may, from time to time, appoint or engage a Dissemination Agent to assist in its carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The

Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the State pursuant to this Disclosure Undertaking.

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

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

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

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

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

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

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

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and in any separate written agreement between the Issuer and the Dissemination Agent.

Section 13. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the State, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Undertaking is not intended to create any monetary rights on behalf of any person.

THE STATE OF SOUTH CAROLINA

Date: _____, 20__

By: _____
State Treasurer

EXHIBIT A

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

Issuer: The State of South Carolina

Obligations: \$ _____ General Obligation State Institution Bonds (Issued on Behalf of
Clemson University), Series 20__

Date of Issuance: _____, 20__

CUSIP: _____

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

THE STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____



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 November 1, 2022, 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 for tax years beginning after December 31, 2022.

4. The Bonds and the interest thereon are exempt from all State of South Carolina, county, school district, municipal and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except for inheritance, estate or transfer taxes, but the interest thereon may be includable for certain franchise fees or taxes.

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

We express no opinion regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement dated _____, 20__, or the Official Statement dated _____, 20__, relating to the Bonds.

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

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

Pope Flynn, LLC

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF November 9, 2022

ITEM NUMBER 9

AGENCY: Clemson University

SUBJECT: Not Exceeding \$10,500,000 of Clemson University Athletics Facilities Revenue Bonds, Series 2022

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$10,500,000 of Clemson University Athletics Facilities Revenue Bonds, Series 2022.

The proceeds of the bonds will defray the cost to acquire, construct, and equip athletic facilities on the campus of the University, including facilities for the women's athletic programs of gymnastics, lacrosse, and rowing, and related infrastructure and improvements.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$10,500,000 of Clemson University Athletics Facilities Revenue Bonds, Series 2022.

ATTACHMENTS:

Pope 10/26/2022 letter with attachments; NDIF; SFAA Resolution



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 11/09/22

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H12 Issuer: Clemson University Series: 2023

Borrower (if not Issuer):

Bond Caption: Athletic Facilities Revenue Bonds

Bond Resolution Amount: \$ 10,500,000 Est. Production/Par Amt: \$ 9,440,000

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

Submitted By:

ENTITY: Clemson University

BY: Rick Petillo

ITS: Chief Financial Officer

Tel: 864-656-2591

Email: rpelill@clemson.edu

Final Production/Par Amt: \$ -

Transaction Type/Method of Sale:

☒ Public Offering: Competitive: Negotiated:

☐ Direct Placement: Competitive: Negotiated:

☐ Governmental Loan/Governmental Purchaser

☒ Other: Competitive vs Negotiated - TBD

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

MSRB (EMMA) Continuing Disclosure Responsible Party: Clemson University

2. FINANCING (NEW PORTION)

Project #: H12-9957 Project Name: Women's Sports Complex

Project Address/Location: Main Campus, Clemson University

Project Type: Athletic Facilities

Projected Avg Interest Rate: 4.36%

Amount: \$ 9,440,000

County: Pickens

Final Maturity: 05/01/53

3. FINANCING (REFUNDED PORTION)

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

4. FINANCING WORKING GROUP

Financial Advisor: PFM Financial Advisors, LLC

Bond Counsel: Pope Flynn, LLC

Underwriter: TBD

Paying Agent: US Bank

Disclosure Counsel: Howell Linkous

Issuer's Counsel: Chip Hood

Trustee: N/A

Other: N/A

5. FINANCING/PROJECT DESCRIPTION

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

The bonds will provide proceeds necessary to defray the costs of the construction of new facilities for women's athletics programs. 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: 07/22/22	Adopted
JBRC Approval: 10/18/22	Proposed
SFAA Approval: 11/09/22	Proposed

Project Approvals - Phase II (State Entities Only)	Notes:
Issuer/Borrower Approval: 07/22/22	Adopted
JBRC Approval: 10/18/22	Proposed
SFAA Approval: 11/01/22	Proposed

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes No

☐ ☒

☐ ☒

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
\$ 3,236,121	6/30/2023 -	Includes costs of issuance and project costs
19,240,000	6/30/2024	Project costs
13,320,000	6/30/2025	Project costs
1,480,000	6/30/2026	Project costs
-		
-		
\$ 37,276,121		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 9,440,000	\$ 37,000,000	Project Fund
(b) Premium/Accr. Int.	836,121	-	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	27,000,000	-	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	-	-	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	-	276,121	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	\$ 37,276,121	\$ 37,276,121	Total Project Uses
Surplus/Deficit		\$ -	

9. ESTIMATED/ACTUAL BOND COI EXPENDITURES (** Added COI entities beyond the following need an attached description **)

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	PFM Financial Advisors			\$ 50,000	\$ -	\$ 50,000
Bond Counsel	Pope Flynn, LLC			25,000	-	25,000
Disclosure Counsel	Howell Linkous & Nettles			25,000	-	25,000
Issuer's Counsel	Chip Hood			-	-	-
Underwriter's Counsel	N/A			-	-	-
Transaction Counsel	N/A			-	-	-
Legal Expenses				-	-	-
				-	-	-
Rating Agency - S&P				-	-	-
Rating Agency - Moody's				30,000	-	30,000
Rating Agency - Fitch				-	-	-
Underwriter's Compensation	TBD - Competitive			94,400	-	94,400
Registrar / Paying Agent	U.S. Bank National Assoc.			15,000	-	15,000
Escrow Agent				-	-	-
Accountant	Elliot Davis			5,000	-	5,000
Verification Agent				-	-	-
Printing	ImageMaster			5,150	-	5,150
Publishing	IPREO			1,545	-	1,545
Advertising	Bond Buyer			2,369	-	2,369
Contingency				22,657	-	22,657
Issuer's Fee	SC JEDA / SC SHFDA			-	-	-
				\$ 276,121	\$ -	\$ 276,121

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

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

0.53%	#DIV/0!
0.26%	#DIV/0!
0.53%	#DIV/0!
0.32%	#DIV/0!

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

1.00%	#DIV/0!
0.55%	#DIV/0!
2.93%	#DIV/0!



Pope Flynn, LLC
1411 Gervais Street, Suite 300
Post Office Box 11509 (29211)
Columbia, SC 29201
MAIN 803.354.4900
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www.popeflynn.com

October 26, 2022

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

Re: Not Exceeding \$10,500,000 Clemson University, South Carolina Athletic Facilities Revenue Bonds, Series 2022

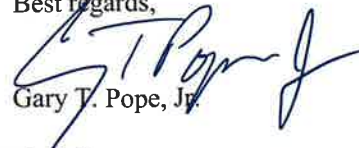
Dear Delbert:

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 November 9, 2022, 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 Higher Education Revenue Bonds of Clemson University;
2. A series resolution adopted by the Board of Trustees of the University on July 22, 2022, authorizing the issuance of the 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, Chief Financial Officer, Clemson University
Robert Macdonald, 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: 10/26/2022

**Submitted for SFAA Meeting
on:** 11/9/2022

FROM: Pope Flynn, LLC

1411 Gervais Street, Suite 300
P.O. Box 11509
Columbia, SC 29211

RE: N/E \$10,500,000 of Clemson University Athletics Facilities Revenue Bonds, Series 2022

Project Name: Women's Sports Complex. The bonds will defray the cost to acquire, construct, and equip athletic facilities on the campus of the University, including facilities for the women's athletic programs of gymnastics, lacrosse, and rowing, and related infrastructure and improvements.

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

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 TEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$10,500,000), AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO.

2022 SERIES RESOLUTION

July 22, 2022

STATE OF SOUTH CAROLINA

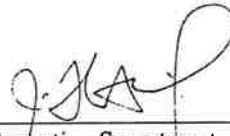
COUNTY OF PICKENS

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

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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 “2022 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 previously 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 (i) providing funds for the financing or refinancing of the costs of the acquiring, constructing, expanding, renovating, and equipping Athletic Facilities, including payment of capitalized interest during such acquisition, construction, reconstruction, renovation, or improvement on any Series of Bonds issued for such purposes plus a period of not exceeding six (6) months, (ii) refunding bonds payable from the Net Revenues and receipts from the imposition of any Admissions Fee and any Special Student Fee, (iii) funding the Debt Service Reserve Fund, if any, established for the benefit of Bondholders, (iv) purchasing or providing credit enhancement for any Series of Bonds, and (v) paying costs of issuance.

(C) The Board of Trustees has now determined that a current need exists to acquire, construct, and equip Athletic Facilities on the campus of the University, including facilities for the women’s athletic programs of gymnastics, lacrosse, and rowing, and related infrastructure and improvements (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 2022 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 2022 Series Resolution as such terms are given in the Bond Resolution.

(B) In addition, as used in this 2022 Series Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“2022 Series Resolution” means this 2022 Series Resolution and any supplements or amendments thereto.

“Bond Payment Date” means each May 1 and November 1 on which interest on any Series 2022 Bonds shall be payable or on which both a principal installment and interest on the Series 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 Bonds” means Bonds, in one or more Series, of the University authorized and issued pursuant to the Enabling Act, the Bond Resolution, and this 2022 Series Resolution.

“Series 2022 Construction Fund” means the fund of that name to be established pursuant to Section 4.04 hereof.

“Series 2022 Costs of Issuance Fund” means the fund of that name to be established pursuant to Section 4.05 hereof.

“Series 2022 Debt Service Fund” means the Debt Service Fund for the Series 2022 Bonds created pursuant to Section 4.02 hereof.

“Series 2022 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 2022 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 2022 Series Resolution.

This 2022 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 2022 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 the aggregate principal amount not exceeding \$10,500,000. 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 2022."

(B) Notwithstanding anything in this 2022 Series Resolution to the contrary, the "Series" designation of the Series 2022 Bonds authorized herein may, prior to the sale thereof, be changed from "2022" 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 2022 Bonds are authorized for the purposes of:

- (1) reimbursing the University for capital expenditures previously made in connection with, and paying the costs of, the Project;
- (2) paying the principal of and interest on any Series 2022 Notes whether at maturity or early redemption; and
- (3) paying certain costs and expenses related to the issuance of the Series 2022 Bonds, including paying the costs of 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 2022 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 \$10,500,000 in aggregate principal amount.

Section 3.04 Maturity Schedule; Interest Payment Dates.

The Series 2022 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 2022 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 2022 Bonds shall be serial Bonds and which shall be term Bonds. The Series 2022 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 2022 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 2022 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 2022 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 2022 Bonds, it shall give notice in accordance with the provisions of the Bond Resolution and this 2022 Series Resolution. Such notice shall specify the date fixed for redemption and the amount and maturities of the Series 2022 Bonds which are to be redeemed.

Section 3.06 Mandatory Sinking Fund Redemption.

(A) Certain of the Series 2022 Bonds, as determined in accordance with conditions established by the Chief Financial Officer and State Treasurer prior to the sale of the Series 2022 Bonds, 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.

(B) If a portion of the Series 2022 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 2022 Bonds so designated for mandatory redemption on the applicable Sinking Fund Date.

(C) The University, at its option, to be exercised prior to the forty-fifth (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 forty-fifth (45th) day to the purchase of Series 2022 Bonds which are subject to mandatory redemption, or

(2) deliver any principal amount of Series 2022 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 2022 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 2022 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 2022 Bonds maturing on such Sinking Fund Date or returned to the Trustee for the benefit of the University. The Series 2022 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 2022 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 2022 Bonds are to be redeemed pursuant to any section of this 2022 Series Resolution, the Series and maturities of the Series 2022 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 2022 Bonds shall bear such rate or rates of interest as shall at the sale of such Series 2022 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 2022 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 2022 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 2022 Bonds shall apply.

Section 3.09 Authentication; Payment of Interest.

(A) Each of the Series 2022 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 2022 Bonds shall be paid by check or draft mailed from the office of the Paying Agent to the person in whose name the Series 2022 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 2022 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 2022 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 2022 Bonds shall be issued in the denomination of \$5,000 or any multiple thereof, not exceeding the principal amount of the Series 2022 Bonds maturing in such year. Each Series 2022 Bond shall be numbered by the Registrar in such a fashion as to reflect the fact that it is one of the Series 2022 Bonds, and to identify the Holder thereof on the books kept by the Registrar. The initial maturity of the Series 2022 Bonds shall be numbered R-1, and thereafter sequentially "R-" numbered for identification.

Section 3.11 Reserve Requirement.

The Series 2022 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 2022 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 2022 Series Resolution. The State Treasurer shall signify its acceptance of the duties of the Trustee under this 2022 Series Resolution and the Bond Resolution upon delivery of the Series 2022 Bonds.

(B) As long as any Series 2022 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 2022 Bonds shall be presented for payment, and notices and demands to or upon the Trustee and the University in respect to the Series 2022 Bonds may be served, at the Corporate Trust Office of the Paying Agent. The Series 2022 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 2022 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 2022 Bonds in accordance with the Bond Resolution and delivery of such Series 2022 Bonds being conclusive evidence of the approval of such changes, modifications, and amendments.

Section 3.14 Execution.

The Series 2022 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 2022 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 2022 Bonds or for any claim based thereon or on the Bond Resolution or on this 2022 Series Resolution, either jointly or severally, against any officer or employee of the University or any person executing the Series 2022 Bonds.

Section 3.16 Book-Entry System.

Unless otherwise determined by the Chief Financial Officer and the State Treasurer prior to the publication of the Official Notice of Sale, the Series 2022 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 2022 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 2022 Bonds or any multiple of \$5,000, with each increment of \$5,000 being separately of a single maturity.

The Series 2022 Bonds shall be issued in fully registered form, one certificate for each of the maturities of the Series 2022 Bonds, in the name of Cede & Co., as Depository Nominee. When any principal of, premium, if any, or interest on the Series 2022 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 2022 Bonds so registered for all purposes of this 2022 Series Resolution, including, without limitation, payments as aforesaid and receipt of notices and exercise of rights of Series 2022 Bond owners.

If the book-entry system of transfer is maintained for the Series 2022 Bonds, the Trustee shall notify the Depository of any notice of redemption required to be given pursuant to this 2022

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 2022 Bonds, and the Participants and persons acting through Participants are expected to maintain records of the Beneficial Owners in the Series 2022 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 2022 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 2022 Bonds together with an assignment duly executed by the Depository, the University shall execute and deliver to the successor depository, Series 2022 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 2022 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 2022 Bonds by mailing an appropriate notice to the Depository, upon receipt by the University of the Series 2022 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 2022 Bonds in fully registered form, in substantially the form set forth in this 2022 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 2022 Bonds, prior to the sale thereof, which shall remain such so long as the Series 2022 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 2022 Bonds.

(A) Upon the delivery of any Series 2022 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 reimburse or defray Project costs shall be deposited in the Series 2022 Construction Fund;
- (2) the amount necessary to pay the principal of and interest on any Series 2022 Notes, whether at maturity or early redemption, shall be applied to such purpose; and
- (3) all remaining amounts shall be deposited to the Series 2022 Costs of Issuance Fund to defray the costs of issuance of the Series 2022 Bonds, including costs of credit enhancement therefor, if any.

(B) Neither the purchaser of the Series 2022 Bonds nor any Holder of the Series 2022 Bonds shall be liable for the proper application of the proceeds of the Series 2022 Bonds.

Section 4.02 Establishment and Funding of Series 2022 Debt Service Fund.

The Board of Trustees hereby establishes, pursuant to Section 7.03 of the Bond Resolution, the Series 2022 Debt Service Fund for the purposes set forth in said Section 7.03.

Section 4.03 No Series 2022 Debt Service Reserve Fund.

No debt service reserve fund shall be established in connection with the Series 2022 Bonds.

Section 4.04 Establishment and Funding of Series 2022 Construction Fund.

There is hereby established, in accordance with Section 7.07 of the Bond Resolution, the Series 2022 Construction Fund. There shall be paid into the Series 2022 Construction Fund those certain sums as prescribed under Section 4.01(A)(1) hereof. The Series 2022 Construction Fund shall be held, maintained, and controlled by the Trustee.

Moneys in the Series 2022 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 2022 Construction Fund. Withdrawals from the Series 2022 Construction Fund shall be made upon written order of the University. Any amounts remaining in the Series 2022 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 2022 Costs of Issuance Fund.

There is hereby established, in accordance with Section 7.07(A) of the Bond Resolution, the Series 2022 Costs of Issuance Fund, to be held, maintained, and controlled by the Trustee as a separate subaccount of the Series 2022 Construction Fund. The costs of issuance of the Series 2022 Bonds, including any credit enhancement therefor, shall be paid therefrom. Six months following the date of delivery of the Series 2022 Bonds, or on such earlier date as all applicable costs of issuance have been paid, all remaining sums shall be transferred to the Series 2022 Debt Service Fund or otherwise applied in a manner consistent with the disposition of surplus moneys in the Series 2022 Construction Fund.

[End of Article IV]

ARTICLE V

AUTHORIZATION TO SELL AND AWARD THE SERIES 2022 BONDS

Section 5.01 Manner of Sale.

(A) The Series 2022 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 2022 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 2022 Bonds are to be sold pursuant to negotiation, such Series 2022 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 2022 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 2022 Bonds and, subsequent to the sale of the Series 2022 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 2022 Bonds.

If sold pursuant to a public sale, upon receipt of bids for the Series 2022 Bonds, the Chief Financial Officer and the State Treasurer shall, and they are hereby authorized to, award the Series 2022 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 2022 NOTES

Section 6.01 Authority to Issue Series 2022 Notes; Board of Trustees Approval of Amount.

If the Chief Financial Officer and the State Treasurer should determine that issuance of Series 2022 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 2022 Notes pursuant to the Note Enabling Act. If Series 2022 Notes are issued and if, upon the maturity thereof the Chief Financial Officer and the State Treasurer should determine that renewal or refunding Series 2022 Notes would be in the best interest of the University, they are authorized to continue the issuance of Series 2022 Notes until the Chief Financial Officer and the State Treasurer determine to issue Series 2022 Bonds on the basis as aforesaid, and such Series 2022 Bonds are issued. The aggregate stated principal amount of all Series 2022 Notes outstanding from time to time shall not exceed \$10,500,000.

The proceeds of any Series 2022 Notes issued hereunder shall be applied for the purpose for which proceeds of the Series 2022 Bonds may be applied, to provide for the renewal or refunding of any Series 2022 Notes, or to provide for the costs of issuance thereof, or any combination thereof.

Section 6.02 Details of Series 2022 Notes.

Subject to changes in terms required for any particular issue of Series 2022 Notes, the Series 2022 Notes and additional series of notes, if any, shall be subject to the following particulars:

(A) The Series 2022 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 2022 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 2022 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 2022 Notes, prior to the sale thereof. The Series 2022 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 2022 Notes shall bear such rate or rates of interest as shall at the sale of Series 2022 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 2022 Notes shall apply; and
- (3) no rate of interest shall exceed 4% per annum.

(D) (1) The Series 2022 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 2022 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 2022 Notes and, subsequent to the sale of the Series 2022 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 2022 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 2022 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 2022 Notes shall state on their face that they are issued in anticipation of the issuance of the Series 2022 Bonds and are payable, both as to principal and interest, from the proceeds thereof.

(F) The Series 2022 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 2022 Note is mutilated, lost, stolen or destroyed, the University may execute a new Series 2022 Note of like date and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Series 2022 Notes, such mutilated Series 2022 Note shall first be surrendered to the University or to its designated agent,

and in the case of any lost, stolen or destroyed Series 2022 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 2022 Note shall have matured, instead of issuing a duplicate Series 2022 Note, the University may pay the same without surrender thereof. The University or its agent may charge the holder of such Series 2022 Note with its reasonable fees and expenses in this connection.

(H) Any Series 2022 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 2022 Note, the Note Registrar shall issue, subject to the provisions of Paragraph (I) below, in the name of the transferee, a new Series 2022 Note or Series 2022 Notes of the same aggregate principal amount as the unpaid principal amount of the surrendered Series 2022 Note or Series 2022 Notes. Any holder of a Series 2022 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 2022 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 2022 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 2022 Note to the extent of the sum or sums so paid.

(I) Series 2022 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 2022 Note or his duly authorized attorney, may, at the option of the holder of the Series 2022 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 2022 Notes in fully registered form of any other authorized denomination equal to the unpaid principal amount of surrendered Series 2022 Notes.

(J) In all cases in which the privilege of exchanging or transferring Series 2022 Notes in fully registered form is exercised, the University shall execute and deliver Series 2022 Notes in accordance with the provisions hereof. All Series 2022 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 2022 Note for such exchange or transfer of Series 2022 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 2022 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 2022 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 2022 Notes.

For the payment of the Series 2022 Notes, there are hereby pledged the proceeds derived from the sale of the Series 2022 Bonds issued pursuant to this 2022 Series Resolution or if such Series 2022 Bonds are not issued prior to the maturity of the Series 2022 Notes, from the sale, issuance and delivery of renewal or refunding Series 2022 Notes. The proceeds of such Series 2022 Bonds, when received by the University, shall be applied first to the payment of principal of and interest on the Series 2022 Notes. The University shall either issue such Series 2022 Bonds and apply the proceeds to the redemption of the Series 2022 Notes or shall provide funds therefor from other sources, including the issuance of renewal or refunding Series 2022 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 2022 Bonds, including without limitation, (1) the requirement to file Form 8038-G, *Information Return for Tax-Exempt Government Obligations*, with the Internal Revenue Service, and (2) 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 2022 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 2022 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 2022 Bonds will be owned by the University or another Governmental Unit so long as the Series 2022 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 2022 Bonds, or any Bonds refunded thereby, in any manner that would result in (i) ten percent (10%) 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 (5%) 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 (5%) 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 2022 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 2022 Bonds.
- (5) The Series 2022 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 2022 Bonds shall be made which, if such use had been reasonably expected on the Date of Issue of such Series 2022 Bonds would have caused Series 2022 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 2022 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 2022 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 2022 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 2022 Bonds. To that end, the Board of Trustees determines and declares as follows:

- (1) No funds from any sources other than the Series 2022 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 2022 Bonds;

- (2) The University reasonably expects that all or a portion of the expenditures incurred for the Project and the issuance of the Series 2022 Bonds will be paid prior to the issuance of the Series 2022 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 2022 Bonds from the proceeds of the Series 2022 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 2022 Bonds will be for costs incurred in connection with the issuance of the Series 2022 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 2022 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 2022 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 thirty (30) days of the receipt of the audit; and
- (2) Event specific information within thirty 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 Bonds Issued as Multiple Series.

In the event Series 2022 Bonds are sold in more than one Series, separate funds and accounts shall be created and maintained for each Series of Series 2022 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 2022 Series Resolution to the contrary, in the event that Series 2022 Bonds are sold in more than one Series, all references in this 2022 Series Resolution to Series 2022 Bonds shall, as the context may require, be read as referring to the applicable Series of Series 2022 Bonds.

Section 8.05 Combining of Series 2022 Bonds and Previously Authorized Bonds.

Notwithstanding anything contained in this 2022 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 2022 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 2022 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 22nd day of July 2022.

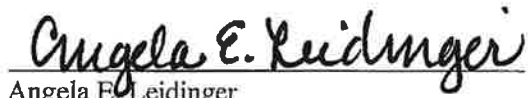
CLEMSON UNIVERSITY, SOUTH CAROLINA

(SEAL)



Kim A. Wilkerson
Chair of the Board of Trustees

Attest:



Angela E. Leidinger
Executive Secretary to the Board of Trustees

FORM OF BOND

CLEMSON UNIVERSITY, SOUTH
CAROLINA ATHLETIC FACILITIES
REVENUE BOND SERIES 2022

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 Series 2022 Bond (this "bond") be subject to redemption and shall have been redeemed prior thereto as hereinafter provided,] upon presentation and surrender of this Series 2022 Bond (this "bond") at the Corporate Trust Office of _____ in the City 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 sum shall be discharged.

This bond bears interest from the May 1 or the November 1 to which interest has been paid next preceding the authentication date hereof, unless the authentication date hereof is a May 1 or a November 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; this bond will bear interest from [dated date]. Interest on this bond is payable on May 1 and November 1 of each year beginning _____ 1, 20___. The interest so payable on any May 1 or November 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 April or on the 15th day of the October next preceding such May 1 or November 1, respectively.

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 at the address shown on the registration books. 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 Bonds dated _ 1, 20__ (the "Series 2022 Bonds") in the aggregate principal amount of _____ Dollars (\$ _____) 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 Article 9, Chapter 119, Title 59, Code of Laws of South Carolina 1976, as the same may be amended from time to time (the "Enabling Act"), and a bond resolution dated April 16, 1999, and a series resolution dated July 21, 2022, duly adopted by the Board of Trustees of Clemson University (together, the "Resolution"), for the purpose of providing funds (i) to defray the costs of the Project (as defined in the Resolution), and (ii) to pay certain costs of issuance of the Series 2022 Bonds.

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.

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 the Series 2022 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 Series Resolution), beneficial ownership of the Series 2022 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.

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. 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 2022 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.

The Resolution authorizes the issuance of additional bonds ("Additional Bonds") on a parity with the Series 2022 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").

The University has covenanted in the Resolution to fix and maintain such rates and charges for attendance at events held at any Athletic Facilities which, when combined with other Revenues of the Athletic Department and the gross receipts from the imposition of any Admissions Fee and any Special Student Fee, shall at all times be sufficient to (a) provide for the payment of the expenses of administration of the Athletic Department and such expenses of the

administration, operation and maintenance of the Athletic Facilities as may be necessary to preserve the same in good repair and condition, (b) maintain the Debt Service Funds and thus provide for the punctual payment of the principal of and interest on the Bonds, (c) maintain any Debt Service Reserve Fund in the manner therein prescribed, (d) provide for the payment of any Junior Lien Bonds that may from time to time be Outstanding, (e) 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, (f) pay all amounts owing under a reimbursement agreement with any provider of a debt service reserve fund funding substitute as contemplated under the Resolution, and (g) discharge all obligations imposed by the Enabling Act and the Resolution.

The Resolution provides that, in addition to other remedies, upon a default in payment of principal of or interest on any Bond, 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 2022 Bonds are not callable for redemption prior to May 1, ____.]

[The Series 2022 Bonds maturing after May 1, ____ may be redeemed prior to their respective maturities at the option of the University on and after May 1, __, in whole or in part at any time at the following redemption prices (expressed as percentages of the principal amount to be redeemed) plus interest accrued to the date fixed for redemption:

Period During Which Redeemed (Both Dates Inclusive)	Redemption Price
--	------------------

The Series 2022 Bonds maturing in the year _ are subject to mandatory redemption in part (to be selected by lot by the Registrar in the manner provided in the Resolution), at the principal amount thereof plus interest accrued to the redemption date, on the dates and in the principal amounts set forth below:

<u>May 1 of the Year</u>	<u>Requirement</u>	<u>May 1 of the Year</u>	<u>Requirement</u>
------------------------------	--------------------	------------------------------	--------------------

*Final Maturity.

The amount of the mandatory sinking fund redemptions prescribed above shall be reduced to the extent Series 2022 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 less than all of the Series 2022 Bonds are to be redeemed, the particular Series 2022 Bonds or portions of Series 2022 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 2022 Bonds of any maturity, the Series 2022 Bonds or portions of Bonds of such maturity to be redeemed shall be selected by the Registrar by lot. Series 2022 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.]

[If any of the Series 2022 Bonds, or portions thereof, are called for redemption, the Trustee will give notice to the Holders of any such Series 2022 Bonds to be redeemed, in the name of the University, of the redemption of such Series 2022 Bonds, or portions thereof, which notice will specify the Series 2022 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 2022 Bonds are to be redeemed, the numbers of such Series 2022 Bonds so to be redeemed, and, in the case of Series 2022 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 2022 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 2022 Bond, shall not affect the validity of the proceedings for the redemption of any other Series 2022 Bond. Provided funds for their redemption are on deposit with the Trustee or any Paying Agent, all Series 2022 Bonds so called for redemption will cease to bear interest on the specified redemption date and shall no longer be deemed to be Outstanding.]

The Series 2022 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 2022 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 2022 Bond or Series 2022 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 2022 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 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 of the Board of Trustees

Attest:

Angela E. Leidinger
Executive Secretary to the Board of Trustees

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: _____, 2022

(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.

EXHIBIT B

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.

[Remainder of page intentionally left blank.]

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:

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

CUSIP Number: _____

Dated: _____

B-17

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 2022

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 2022 Note, which is one of an issue of \$ _____ aggregate principal amount of Athletic Facilities Revenue Bond Anticipation Notes, Series 2022, of the University (the "Series 2022 Notes"), 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 21, 2022, duly adopted by the Board of Trustees of Clemson University (the "Series Resolution", and together with the Bond Resolution, the "Resolution"). This Series 2022 Note is payable, both as to principal and interest, from the proceeds of the Series 2022 Bonds authorized to be issued under the Resolution, or if said Series 2022 Bonds are not issued prior to the maturity of the Series 2022 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 2022 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 2022 Note, when due, shall be payable upon presentation and surrender of this Series 2022 Note at the principal office of _____, in the City of __, State of _____, as Paying Agent.

This Series 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 Note against the University. Notwithstanding the foregoing, nothing herein shall limit the rights of a person having a beneficial interest in this Series 2022 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 2022 Note.

[This Series 2022 Note is not subject to redemption prior to maturity.]

This Series 2022 Note is a special obligation of the University and there are hereby pledged to the payment of this Series 2022 Note, both principal and interest, when due, the proceeds of the Series 2022 Bonds or if the Series 2022 Bonds are not issued prior to the maturity of the Series 2022 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 2022 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 2022 Note. The Board of Trustees agree that the University will issue no further bond anticipation notes in anticipation of the issuance of the Series 2022 Bonds.

This Series 2022 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 2022 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 2022 Note, do exist, have happened, and have been performed in regular and due time, form, and manner; that the amount of this Series 2022 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 2022 Bonds in anticipation of which this Series 2022 Note is issued.

IN WITNESS WHEREOF, the University has caused this Series 2022 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)

Chair, Board of Trustees

Attest:

By: _____
Executive Secretary, Board of Trustees

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 \$10,500,000; 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 22, 2022, 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 TEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$10,500,000), AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO" (the "2022 Series Resolution") authorizing the issuance of Athletic Facilities Revenue Bonds, Series 2022 (the "Series 2022 Bonds") to defray a portion of the costs to, acquire, construct, and equip athletic facilities on the campus of the University, including facilities for the women's athletic

programs of gymnastics, lacrosse, and rowing, and related infrastructure and improvements (the "Project").

WHEREAS, the 2022 Series Resolution authorized the use of proceeds of the Series 2022 Bonds for the purposes of: (i) reimbursing the University for capital expenditures previously made in connection with, and paying the costs of, the Project; (ii) paying the principal and interest on any Series 2022 Notes (as defined below) whether at maturity or early redemption; and (iii) paying certain costs and expenses related to the issuance of the Series 2022 Bonds, including paying the costs of any credit enhancement thereof.

WHEREAS, the 2022 Series Resolution also authorizes the issuance of notes (the "Series 2022 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 2022 Bonds for the purpose for which the Series 2022 Bonds may be issued, and further authorizes the renewal or refunding of Series 2022 Notes until such time as officials of the University and the State Treasurer determine to issue the Series 2022 Bonds. The proceeds of any Series 2022 Notes issued pursuant to the 2022 Series Resolution shall be applied for the purpose for which proceeds of the Series 2022 Bonds may be applied, to provide for the renewal or refunding of any Series 2022 Notes, or to provide for the costs of issuance thereof, or any combination thereof. Article VI of the 2022 Series Resolution provides that the Chief Financial Officer and the State Treasurer must determine that the issuance of Series 2022 Notes, including any refunding or renewal Series 2022 Notes, is in the best interest of the University prior to the issuance of Series 2022 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 2022 Bonds and the Series 2022 Notes, and other matters related thereto, as set forth in the 2022 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 2022 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 2022 Series Resolution.

ARTICLE II

AUTHORIZATION TO ISSUE AND SELL THE SERIES 2022 BONDS AND THE SERIES 2022 NOTES

Section 2.01

The Authority hereby approves and authorizes the issuance and sale of the Series 2022 Bonds in an aggregate principal amount not to exceed \$10,500,000 at public or private sale in accordance with and subject to the terms of the 2022 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 2022 Notes in an aggregate principal amount not to exceed \$10,500,000 at public or private sale in accordance with and subject to the terms of the 2022 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 2022 Notes in anticipation of the Series 2022 Bonds. This approval to issue and sell Series 2022 Notes includes the approval to issue refunding or renewal Series 2022 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: November 9, 2022.



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

October 26, 2022

South Carolina State Fiscal Accountability Authority
Columbia, South Carolina

Re: Not Exceeding \$10,500,000 Clemson University Athletic Facilities Revenue
Bonds, Series 2022

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 October 26, 2022 (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”) for the purpose of acquiring, constructing, and equipping athletic facilities on the campus of the University, including facilities for the women’s athletic programs of gymnastics, lacrosse, and rowing, and related infrastructure and improvements.

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 22, 2022 (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.

¹ Transmitted by Pope Flynn, LLC to Delbert H. Singleton, Jr., as SFAA Secretary by transmittal letter dated October 26, 2022.

POPE FLYNN
GROUP

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 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,


Pope Flynn, LLC



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

_____, 2022

Board of Trustees of Clemson University
Clemson, South Carolina

Re: \$_____ Clemson University Athletic Facilities Revenue Bonds, Series
2022

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 2022 (the "Series 2022 Bonds"). The Series 2022 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 22, 2022 (the "2022 Series Resolution," and together with the Bond Resolution, the "Resolution"); an approving resolution adopted by the State Fiscal Accountability Authority on November 1, 2022; 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 2022 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 2022 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 2022 Bonds on a parity with other Bonds issued or to be issued under the Resolution.

4. The Series 2022 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 2022 Bonds will be applied are authorized by the Enabling Act. The Series 2022 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 2022 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 for tax years beginning after December 31, 2022.

6. Under existing law, both the Series 2022 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 2022 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 2022 Bonds and the enforceability of the Series 2022 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 2022 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 2022 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 as follows in connection with the request for approval submitted by the University on September 15, 2022, to the South Carolina State Fiscal Accountability Authority in support of its proposed not to exceed \$10,500,000 principal amount Athletic Facilities Revenue Bonds, Series 2022:

- (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) Pursuant to the Bond Resolution, the University previously issued and there remains outstanding \$183,395,000 of Athletic Facilities Revenue Bonds of the University.
- (3) At present, the University does not have any authorized but unissued Athletic Facilities Revenue Bonds.
- (4) The total principal amount of all outstanding, authorized but unissued, and proposed Athletic Facilities Revenue Bonds of the University is \$193,895,000.

WITNESS my hands as of this 21 day of September 2022.

CLEMSON UNIVERSITY



Richard D. Petillo
Chief Financial Officer

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF November 9, 2022

ITEM NUMBER 10

AGENCY: The Medical University of South Carolina

SUBJECT: Not Exceeding \$25,225,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2022

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$25,225,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2022.

The proceeds of the bonds will be used to defray the cost to construct, equip and furnish a six-story building to be used for general University purposes and by the University's College of Health Professions, and to construct an elevated pedestrian bridge, on the campus of The Medical University of South Carolina.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$25,225,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2022.

ATTACHMENTS:

Musser 10/26/2022 letter with attachments; NDIF; SFAA Resolution



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 11/09/22

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: State of South Carolina Series: 2022
 Borrower (if not Issuer): Medical University of South Carolina
 Bond Caption: General Obligation State Institution Bonds (Issued on behalf of Medical University of South Carolina)
 Bond Resolution Amount: \$ 25,225,000 Est. Production/Par Amt: \$ 22,240,000

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

Submitted By:

ENTITY: Medical University of South Carolina
 BY: Patrick Wamsley
 ITS: Chief Financial Officer
 Tel: 843.792.3557
 Email: wamsleyp@musc.edu

Final Production/Par Amt: \$ -

Transaction Type/Method of Sale:

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

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

MSRB (EMMA) Continuing Disclosure Responsible Party: _____

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: _____
 Project Address/Location: Main Campus, MUSC Amount: \$ 25,000,000
 Project Type: Construct & Renovate Facilities County: Charleston
 Projected Avg Interest Rate: 3.66% (All-in TIC) Final Maturity: 4/1/2043 (Preliminary)

3. FINANCING (REFUNDED PORTION)

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

4. FINANCING WORKING GROUP

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

5. FINANCING/PROJECT DESCRIPTION

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

The bonds will provide proceeds necessary to defray the costs of constructing, equipping and furnishing a six-story building to be used for general University purposes and by the College of Health Professions, as well as an elevated pedestrian bridge, and the cost of issuance thereof. Costs of issuance of the bonds are calculated at the anticipated par amount of \$22.2 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. 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: 08/12/22	Adopted
JBRC Approval: 10/18/22	Proposed
SFAA Approval: 11/09/22	Proposed

Project Approvals - Phase II (State Entities Only)	Notes:
Issuer/Borrower Approval: 08/12/22	Adopted
JBRC Approval: 10/18/22	Proposed
SFAA Approval: 11/01/22	Proposed

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes No

☐ ☒

☐ ☒

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
\$ -	00/00/00	
-	00/00/00	
-	00/00/00	
-	00/00/00	
-	00/00/00	
-	00/00/00	
\$ -		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 22,240,000	\$ 25,000,000	Project Fund
(b) Premium/Accr. Int.	3,046,245	-	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	-	286,245	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	\$ 25,286,245	\$ 25,286,245	Total Project Uses
Surplus/Deficit		\$ -	

9. ESTIMATED/ACTUAL BOND COI EXPENDITURES (** Added COI entities beyond the following need an attached description *

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	PRAG			\$ 35,000	\$ -	\$ 35,000
Bond Counsel	Pope Flynn, LLC			25,000	-	25,000
Disclosure Counsel	Howell Linkous & Nettles			25,000	-	25,000
Issuer's Counsel				-	-	-
Underwriter's Counsel				-	-	-
Transaction Counsel				-	-	-
Legal Expenses				-	-	-
				-	-	-
Rating Agency - S&P				23,750	-	23,750
Rating Agency - Moody's				26,500	-	26,500
Rating Agency - Fitch				19,000	-	19,000
Underwriter's Compensation	TBD - Competitive			111,200	-	111,200
Registrar / Paying Agent	U.S. Bank National Assoc			10,000	-	10,000
Escrow Agent				-	-	-
Accountant				-	-	-
Verification Agent				-	-	-
Printing	ImageMaster			3,000	-	3,000
Publishing	IPREO			1,500	-	1,500
Advertising	Bond Buyer			1,500	-	1,500
Contingency				4,795	-	4,795
Issuer's Fee	SC JEDA / SC SHFDA			-	-	-
				\$ 286,245	\$ -	\$ 286,245

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

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

0.16%	#DIV/0!
0.11%	#DIV/0!
0.22%	#DIV/0!
0.31%	#DIV/0!

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

0.50%	#DIV/0!
0.09%	#DIV/0!
1.29%	#DIV/0!



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

MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

October 26, 2022

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

Re: Not Exceeding \$25,225,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2022

Dear Delbert:

On behalf of The Medical University of South Carolina (the "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 currently scheduled for November 9, 2022, we respectfully enclose the following for consideration by the Authority:

1. Bond Transmittal Form;
2. a resolution adopted by the Board of Trustees of the University on August 12, 2022, making application to the Authority in connection with the Bonds;
3. a proposed form of opinion of Bond Counsel; and
4. a proposed form of Bond Resolution of the Authority (an electronic copy is being provided contemporaneously with this letter).

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

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

Best regards,

Bill

William M. Musser

cc: Robert Macdonald, Director Debt Management Division, Office of State Treasurer
Patrick Wamsley, The Medical University of South Carolina

Enclosures

BOND TRANSMITTAL FORM

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

DATE: 10/26/2022

Submitted for SFAA Meeting on:
11/9/2022

FROM: Pope Flynn, LLC
PO Box 11509
Columbia, SC 29211

RE: N/E \$25,225,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2022

Project Name: College of Health Professions. The bonds will defray the cost to construct, equip and furnish a six-story building to be used for general University purposes and by the University's College of Health Professions, and construct an elevated pedestrian bridge, on the campus of The Medical University of South Carolina.

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: William M. Musser
Typed Name of Bond Counsel

By: William M. Musser
Signature

AMENDED RESOLUTION

REQUESTING THE ISSUANCE OF NOT EXCEEDING TWENTY-FIVE MILLION TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$25,225,000) OF GENERAL OBLIGATION STATE INSTITUTION BONDS FOR THE MEDICAL UNIVERSITY OF SOUTH CAROLINA PURSUANT TO CHAPTER 107, TITLE 59, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

Adopted by

BOARD OF TRUSTEES
OF
THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

August 12, 2022

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AMENDED RESOLUTION

REQUESTING THE ISSUANCE OF NOT EXCEEDING TWENTY-FIVE MILLION TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$25,225,000) OF GENERAL OBLIGATION STATE INSTITUTION BONDS FOR THE MEDICAL UNIVERSITY OF SOUTH CAROLINA PURSUANT TO CHAPTER 107, TITLE 59, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA IN A MEETING DULY ASSEMBLED:

SECTION 1. Findings of Fact. As an incident to the adoption of this Amended Resolution, the Board of Trustees of The Medical University of South Carolina (the "Board of Trustees"), the governing body of The Medical University of South Carolina (the "University") hereby finds and determines as follows:

(a) This Amended 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, equip and furnish a six-story, approximately 89,000 square foot building and related improvements on the University's campus (the "Project," as such term is more particularly described in paragraph (c) of this Section 1); (ii) to reimburse the University for expenses incurred in anticipation of the issuance of such bonds; and (iii) to pay the costs of issuance of such bonds.

(c) The Board of Trustees has determined that, in order to accommodate the growth in student numbers and programs, the need for the Project exists, and is anticipated to be used for general University purposes and by the University's College of Health Professions, and will include space for classrooms, office and support space for University faculty and staff, research space, as well as an elevated pedestrian bridge connecting the building to the existing Bioengineering building.

(d) The University estimates that the total cost of the Project will be approximately \$50,000,000. In order to fund a portion of the projected costs of the Project, and taking into account certain other sources, the Board of Trustees desires to make application to the State Authority to issue not exceeding Twenty-Five Million Two Hundred Twenty-Five Thousand Dollars (\$25,225,000) aggregate principal amount of General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina) of the State of South Carolina (the "Bonds") pursuant to the Enabling Act, on the basis that a definite and immediate need exists for constructing 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, 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 Amended 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, 2021 through June 30, 2022, tuition fees available to pay debt service on State Institution Bonds amounted to the sum of \$15,185,306.

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 Amended 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 Amended Resolution is set forth as Exhibit B to this Amended Resolution. Said Exhibit B assumes that the principal amount of the Bonds will be \$25,225,000.

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 Amended 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 \$25,225,000 and at prevailing rates of interest) is set forth as Exhibit D to this Amended 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 Amended Resolution is set forth as Exhibit E to this Amended 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 \$25,225,000 until the Governor and the State Treasurer determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

(b) The Board of Trustees hereby covenants and agrees that the University will, and hereby directs the President and the Secretary to the Board of Trustees of the University to deposit and designate 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 Secretary of the Board of Trustees are hereby authorized 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 Amended 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. Secretary to Present Resolution to State Authority. The Secretary to the Board of Trustees is hereby directed to present a certified copy of this Amended Resolution, together with the Exhibits and any certification required by Section 8 to this Amended 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 Amended Resolution and any certificate required by Section 8 hereof is submitted to the State Authority.

SECTION 12. Execution of Closing Documents and Certificates. The Chairman of and the Secretary to the Board of Trustees, and all other officers of the University, are fully authorized and empowered to take such further action and to execute and deliver such closing documents as may be necessary and proper in order to complete the borrowing herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents in such form as he or they shall approve, is hereby fully authorized. In particular, such officers of the University are authorized to abide by covenants made by or on behalf of the State Authority in connection herewith relating to Sections 9 and 10 hereof or relating to Rule 15c2-12 of the United States Securities and Exchange Commission or relating to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended.

SECTION 13. Reimbursement Declaration. The University hereby confirms 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, equipping and furnishing 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 Amended 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 Amended Resolution. This Amended Resolution shall be construed and interpreted in accordance with the laws of the State. All suits and actions arising out of this Amended 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 Amended Resolution.

SECTION 16. Repeal of Inconsistent Resolutions. All resolutions of the Board of Trustees, and any part of any resolution, inconsistent with this Amended Resolution are hereby repealed to the extent of such inconsistency.

SECTION 17. Effectiveness of this Amended Resolution. This Amended Resolution shall become effective upon its adoption and except as provided in the last sentence of this Section 17, shall amend in its entirety the Resolution approving the issuance of Not Exceeding Twenty Million Dollars (\$20,000,000) of General Obligation State Institution Bonds adopted by the Board of Trustees on April 8, 2022 (the "Original Resolution"). The University's reimbursement declaration under Section 13 of the Original Resolution shall survive the amendment of the Original Resolution.

Done in meeting duly assembled this 12th day of August 2022.

**BOARD OF TRUSTEES OF THE MEDICAL
UNIVERSITY OF SOUTH CAROLINA**

(SEAL)


Chairman

Attest:


Secretary

EXHIBIT A

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

Set forth below are the tuition and fees charged by each of the Academic Division's Colleges for resident and non-resident students for the 2022-2023 academic year (excluding the summer term) on an annual basis (except as shown):

	<u>In-State¹</u>	<u>Out-of-State¹</u>
Dental Medicine		
Doctor of Dental Medicine	\$17,150	\$30,000
Dental Scientist Training Program	7,905	7,905
Master of Science in Dentistry - Endodontics	20,338	20,338
Master of Science in Dentistry - Periodontics	3,218	3,902
Master of Science in Dentistry - Orthodontics	3,218	3,902
Master of Science in Dentistry - Digital Dentistry	20,167	20,167
 Graduate Studies		
Master of Science in Biomedical Sciences	\$ 6,752	\$9,484
Master of Science in Clinical Research	6,887	10,538
Master of Science in Medical Sciences	7,025	10,538
 Ph.D. Program	7,954	10,686
 Health Professions		
Bachelor of Science in Healthcare Studies	\$4,900	\$4,900
 Cardiovascular Perfusion	8,149	12,831
Master in Extracorporeal Science		6,000
Master in Genetic Counseling	9,000	12,831
Doctor of Nurse Anesthesia Practice - Post-Masters	7,724	7,956
Doctor of Nurse Anesthesia Practice - Post-Baccalaureate	7,724	11,397
 Master in Health Administration-Executive	8,525	9,682
Master in Health Administration-Residential	8,525	12,828
Master of Science in Health Informatics	8,525	8,525
Master of Science in Speech Pathology	8,349	12,465
Master of Science in Physical Assistant Studies	8,274	14,787
Doctor of Health Administration - Health Professional	10,290	10,290
Doctor of Health Administration - Health Administrator	10,290	10,290
Doctor of Health Administration -Interprofessional	6,958	6,958
Doctor of Health Administration- Information Systems	6,958	6,958
Ph. D. in Health and Rehabilitation Science	6,202	6,569
Doctor of Physical Therapy	8,142	12,280
Doctor of Occupational Therapy	8,346	12,465
 Medicine		
First Year	\$12,500	\$22,283
Second Year	10,800	19,333

¹ All tuition per semester unless otherwise noted

EXHIBIT B

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
 PRO-FORMA DEBT SERVICE REQUIREMENTS OF
 NOT EXCEEDING \$25,225,000 STATE OF SOUTH CAROLINA
 GENERAL OBLIGATION STATE INSTITUTION BONDS,
 COMPUTED AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 585,000	\$ 636,022	\$ 1,221,022
June 30, 2024	935,000	985,587	1,920,587
June 30, 2025	960,000	959,781	1,919,781
June 30, 2026	990,000	931,941	1,921,941
June 30, 2027	1,020,000	902,340	1,922,340
June 30, 2028	1,050,000	870,924	1,920,924
June 30, 2029	1,085,000	836,904	1,921,904
June 30, 2030	1,120,000	800,448	1,920,448
June 30, 2031	1,160,000	762,032	1,922,032
June 30, 2032	1,200,000	721,200	1,921,200
June 30, 2033	1,245,000	678,000	1,923,000
June 30, 2034	1,290,000	629,818	1,919,818
June 30, 2035	1,345,000	577,186	1,922,186
June 30, 2036	1,400,000	520,158	1,920,158
June 30, 2037	1,460,000	458,978	1,918,978
June 30, 2038	1,530,000	393,716	1,923,716
June 30, 2039	1,595,000	324,101	1,919,101
June 30, 2040	1,670,000	250,412	1,920,412
June 30, 2041	1,750,000	171,922	1,921,922
June 30, 2042	1,835,000	88,447	1,923,447
Total	\$ 25,225,000	\$ 12,499,912	\$ 37,724,912

* Preliminary, subject to change.

EXHIBIT C

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

Fiscal Year Ending	Existing Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 3,040,000	\$ 1,749,075	\$ 4,789,075
June 30, 2024	3,170,000	1,613,275	4,783,275
June 30, 2025	2,445,000	1,475,650	3,920,650
June 30, 2026	2,565,000	1,353,400	3,918,400
June 30, 2027	2,705,000	1,225,150	3,930,150
June 30, 2028	2,835,000	1,089,900	3,924,900
June 30, 2029	2,985,000	948,150	3,933,150
June 30, 2030	3,105,000	824,900	3,929,900
June 30, 2031	3,240,000	696,350	3,936,350
June 30, 2032	2,190,000	561,950	2,751,950
June 30, 2033	2,270,000	480,850	2,750,850
June 30, 2034	2,355,000	396,550	2,751,550
June 30, 2035	2,440,000	308,900	2,748,900
June 30, 2036	2,530,000	217,900	2,747,900
June 30, 2037	985,000	123,300	1,108,300
June 30, 2038	1,010,000	93,750	1,103,750
June 30, 2039	1,040,000	63,450	1,103,450
June 30, 2040	1,075,000	32,250	1,107,250
Total	\$ 41,985,000	\$ 13,254,750	\$ 55,239,750

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
THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
INCLUDING THE PROPOSED ISSUE OF
TWENTY-FIVE MILLION TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$25,225,000)
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, 2023	\$ 3,625,000	\$ 2,385,097	\$ 6,010,097
June 30, 2024	4,105,000	2,598,862	6,703,862
June 30, 2025	3,405,000	2,435,431	5,840,431
June 30, 2026	3,555,000	2,285,341	5,840,341
June 30, 2027	3,725,000	2,127,490	5,852,490
June 30, 2028	3,885,000	1,960,824	5,845,824
June 30, 2029	4,070,000	1,785,054	5,855,054
June 30, 2030	4,225,000	1,625,348	5,850,348
June 30, 2031	4,400,000	1,458,382	5,858,382
June 30, 2032	3,390,000	1,283,150	4,673,150
June 30, 2033	3,515,000	1,158,850	4,673,850
June 30, 2034	3,645,000	1,026,368	4,671,368
June 30, 2035	3,785,000	886,086	4,671,086
June 30, 2036	3,930,000	738,058	4,668,058
June 30, 2037	2,445,000	582,278	3,027,278
June 30, 2038	2,540,000	487,466	3,027,466
June 30, 2039	2,635,000	387,551	3,022,551
June 30, 2040	2,745,000	282,662	3,027,662
June 30, 2041	1,750,000	171,922	1,921,922
June 30, 2042	1,835,000	88,447	1,923,447
Total	<u>\$ 67,210,000</u>	<u>\$ 25,754,662</u>	<u>\$ 92,964,662</u>

* Preliminary, subject to change.

EXHIBIT E

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
PROOF SHOWING COMPLIANCE WITH
TITLE 59, CHAPTER 107, CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

Aggregate of tuition fees received by the University as of June 30, 2022	\$15,185,306
Multiplied by	90%
Produces	\$13,666,775
Maximum annual debt service on all State Institution Bonds of the University (including the proposed issue of not exceeding Twenty-Five Million Two Hundred Twenty-Five Thousand Dollars (\$25,225,000) General Obligation State Institution Bonds issued on behalf of the University)	\$ 6,703,862
Margin	\$ 6,962,913

Calculated as of August 12, 2022

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING TWENTY-FIVE MILLION TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$25,225,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA), OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

Adopted November 1, 2022

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A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING TWENTY-FIVE MILLION TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$25,225,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA), OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

ARTICLE I FINDINGS OF FACT

As an incident to the adoption of this resolution (this "Resolution") and the issuance of the bonds provided for herein, the South Carolina State Fiscal Accountability Authority (the "Authority") finds that the facts set forth in this Article exist, and that the statements made with respect thereto are true and correct. Capitalized terms used and not otherwise defined herein have the meanings given to such terms in Article II of this Resolution.

Section 1.01 General Findings of Authorization.

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

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

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

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

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

(v) The Board of Trustees has determined that, in order to accommodate the growth in student numbers and programs, a need exists to construct, equip and furnish a six-story, approximately 89,000 square foot building to be used for general University purposes and by the University's College of Health Professions, and will include space for classrooms, office and support space for University faculty and staff, research space, as well as an elevated pedestrian bridge connecting the building to the existing Bioengineering building (the "Project").

Pursuant to the provisions of a resolution adopted by the Board of Trustees of the University (the "Board of Trustees") on August 12, 2022 (the "Board Resolution"), the Board of Trustees has requested the Authority to authorize the Governor and the State Treasurer (each as defined herein) to issue General Obligation State Institution Bonds pursuant to the Enabling Act in the aggregate principal amount of not exceeding \$25,225,000 to provide funds to: (i) defray the costs of the Project; and (ii) pay costs and expenses related to the issuance of such State Institution Bonds. Moreover, the Board Resolution

constituted the application to the Authority required by Section 59-107-40 of the Enabling Act and the provisions thereof contained all information necessary for the Authority to approve the application and authorize the issuance of such State Institution Bonds.

(c) The Authority has reviewed the Board Resolution and has determined to cause the issuance of not exceeding Twenty-Five Million Two Hundred Twenty-Five Thousand Dollars (\$25,225,000) aggregate principal amount General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), of the State of South Carolina (the "Bonds"), or one or more BANs (as defined herein) in anticipation thereof, for the purposes described in paragraph (b) above.

Section 1.02 Findings Required by the Enabling Act.

The Authority makes the following findings pursuant to Section 59-107-50 of the Enabling Act in connection with the application of the University for issuance of General Obligation State Institution Bonds in the amount of not exceeding \$25,225,000, 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 \$41,985,000 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, 2022, 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, 2022;

(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 \$67,210,000.*

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 \$25,225,000 or one or more BANs in anticipation thereof, in order to provide funds which will be used to pay all or a portion of the costs of the Project, to pay the principal of and interest on the BANs, if any, and to pay the costs of issuance of such BANs or the Bonds.

[End of Article I]

* Preliminary, subject to change.

ARTICLE II
DEFINITIONS AND CONSTRUCTION

Section 2.01 Definitions.

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

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

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

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

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

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

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

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

“Bond Payment Date” means each date determined by the State Treasurer on which interest on any of the Bonds shall be payable or on which both the Principal Installment and interest shall be payable on any of the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Undertaking” means that undertaking which is to be executed by the State Treasurer in form substantially similar to that appearing as Exhibit H hereto, and delivered at or prior to the closing of the Bonds as required by United States Securities and Exchange Commission Rule 15c2-12, as amended, and as such undertaking may be from time to time amended in accordance with the terms thereof.

“Corporate Trust Office”, when used with respect to any Paying Agent, Registrar, or Escrow Agent means the office at which its principal corporate trust business shall be administered.

“Dated Date” means such date as the State Treasurer shall determine to be the date of issue of the Bonds or BANs.

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

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

“Fiduciary” means the Paying Agent, the Registrar, and any Escrow Agent and their successors and assigns.

“Fiscal Year” means the period of twelve (12) calendar months, beginning July 1 of each year and ending on June 30 of the next year.

“Government Obligations” means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

“Governor” means the Governor of the State.

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

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

“Paying Agent” means any bank, trust company, or national banking association which is authorized to pay the principal or Redemption Price of, or interest on any Bonds or BANs, and having the duties, responsibilities and rights provided for in this Resolution, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Paying Agent may also act as Registrar.

“Person” means an individual, a partnership, a corporation, a trust, a trustee, an unincorporated organization, or a government or an agency or political subdivision thereof.

“Principal Installment” means, as of any date of calculation, the principal amount of all Bonds due on a specified date.

“Private Business Use” means “private business use” as that term is defined in Section 141 of the Code, any successor provision and any regulations promulgated thereunder.

“Record Date” means the 15th day immediately preceding each Bond Payment Date.

“Redemption Price” when used with respect to a Bond or portion thereof to be redeemed, means the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Resolution.

“Registrar” means any bank, trust company, or national banking association which is authorized to maintain an accurate list of those who from time to time shall be the Holders of the Bonds or BANs and shall effect the exchange and transfer of the Bonds or BANs in accordance with the provisions of this Resolution and having the duties, responsibilities, and rights provided for in this Resolution and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Registrar may also act as Paying Agent.

“Resolution” means this Resolution as the same may be amended or supplemented from time to time in accordance with the terms hereof.

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

“Series” or “Series of Bonds” means a series of Bonds issued pursuant to the authorizations of the Enabling Act and this Resolution.

“South Carolina Code” means the Code of Laws of South Carolina 1976, as amended.

“State” means the State of South Carolina.

“State Request” means a written request of the State signed by an Authorized Officer.

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

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

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

Section 2.02 Construction.

In this Resolution, unless the context otherwise requires:

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

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

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

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

[End of Article II]

ARTICLE III ISSUANCE OF BONDS

Section 3.01 Request to Governor and State Treasurer.

The Governor and the State Treasurer are hereby requested to effect the issuance of not to exceed \$25,225,000 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 Twenty-Five Million Two Hundred Twenty-Five Thousand Dollars (\$25,225,000) aggregate principal amount of general obligation bonds of the State, designated "General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2022." 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 \$25,225,000. The Bonds shall bear interest at rates determined in the manner prescribed by Section 3.16 hereof. The State Treasurer is hereby authorized to adjust the maturity schedule as to the principal amount maturing in a particular year and as to the dates on which the principal is to be repaid in order to: (i) limit net Bond proceeds; (ii) maintain compliance with constitutional and statutory debt limitations; (iii) maintain level annual debt service within each Fiscal Year; and (iv) achieve a more favorable interest rate at the sale of the Bonds.

Section 3.04 Provision for Payment of Interest on the Bonds.

The Bonds shall be authenticated on such dates as they shall, in each case, be delivered. The Bonds shall bear interest from the Bond Payment Date to which interest has been paid next preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date, in which case, from such authentication date, or if authenticated prior to the first Bond Payment Date for the Bonds, then from the Dated Date. The interest to be paid on any Bond Payment Date shall be paid to the Person in whose name such Bond is registered at the close of business on the Record Date next preceding such Bond Payment Date.

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

(a) The Bonds shall be payable as to Principal Installment, Redemption Price and interest at the rates per annum determined in the manner prescribed by Section 3.16 hereof (on the basis of a 360-day year of twelve 30-day months) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) The Bonds shall be issued in the form of fully registered Bonds. The Bonds shall be issued in the denomination of \$1,000 or any whole multiple thereof, not exceeding the principal amount of the Bonds maturing in such year. The Bonds shall be numbered from R-1 upwards in such fashion as to maintain a proper record thereof.

(c) The Principal Installment or Redemption Price of all Bonds shall be payable at the Corporate Trust Office of the Paying Agent and payment of the interest on each Bond shall be made by the Paying Agent to the Person appearing on each Record Date on the registration books of the State, which books shall be held by the Registrar as provided in Section 3.09 hereof, as the registered Owner thereof, by check or draft mailed to such registered Owner at his address as it appears on such registration books in sufficient time to reach such registered Owner on the Bond Payment Date. Payment of the Principal Installment or Redemption Price of all Bonds shall be made upon the presentation and surrender for cancellation of such Bonds as the same shall become due and payable.

Section 3.06 Agreement to Maintain Registrar and Paying Agent.

As long as any of the Bonds remain Outstanding, there shall be a Registrar and a Paying Agent, each of which shall be a financial institution maintaining Corporate Trust Offices where (i) the Bonds may be presented for registration of transfers and exchanges, (ii) notices and demands to or upon the State in respect of the Bonds may be served, and (iii) the Bonds may be presented for payment, exchange and transfer. The State Treasurer is hereby authorized to determine the institution which shall initially exercise the functions of Registrar and Paying Agent. In the event that Bonds are issued in two or more Series, references in this Resolution to the Registrar and Paying Agent shall mean the Registrar and Paying Agent for a given Series.

Section 3.07 Execution and Authentication.

(a) The Bonds shall be executed in the name and on behalf of the State by the manual or facsimile signatures of the Governor and of the State Treasurer, attested by the manual or facsimile signature of the Secretary of State with the Great Seal of the State (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon. Bonds bearing the manual or facsimile signature of any Person who shall have held such office at the time such Bonds were so executed shall bind the State notwithstanding the fact that he may have ceased to be such officer prior to the authentication and delivery of such Bonds or was not such officer at the date of the authentication and delivery of the Bonds.

(b) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication in the form set forth in the form of the Bond attached to this Resolution as Exhibit F, duly executed by the manual signature of the Registrar and such certificate of authentication upon any Bond executed on behalf of the State shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of this Resolution.

Section 3.08 Exchange of Bonds.

Bonds, upon surrender thereof at the Corporate Trust Office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Holder or his duly authorized attorney, may, at the option of the registered Holder thereof, be exchanged for an equal aggregate principal amount of Bonds in authorized denominations of the same interest rate and maturity. So long as any of the Bonds remain Outstanding, the State shall make all necessary provisions to permit the exchange of the Bonds at the Corporate Trust Office of the Registrar.

Section 3.09 Transferability and Registry.

All Bonds shall at all times, when the same are Outstanding, be payable, both as to Principal Installment, Redemption Price and interest to a Person, and shall be transferable, only in accordance with the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds remain Outstanding, the State shall maintain and keep, at the Corporate Trust Office of the Registrar, books for the registration and transfer of Bonds, and, upon presentation thereof for such purpose at the Corporate Trust Office of the Registrar, the State shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Registrar may prescribe, any Bond, except that under no circumstances shall any Bond be registered or transferred to bearer. So long as any of the Bonds remain Outstanding, the State shall make all necessary provisions to permit the transfer of the Bonds at the Corporate Trust Office of the Registrar.

Section 3.10 Transfer of Bonds.

Each Bond shall be transferable only upon the books of the State, which shall be kept for such purpose at the Corporate Trust Office of the Registrar, upon presentation and surrender thereof by the Holder of such Bond or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of any such Bond, the State shall execute and the Registrar shall authenticate and deliver, in the name of the Person who is the transferee, one or more new Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond. All action taken by the Registrar pursuant to this section shall be deemed to be the action of the State.

Section 3.11 Regulations with Respect to Exchanges and Transfers.

All Bonds surrendered in any exchanges or transfers shall forthwith be cancelled by the Registrar. For each such exchange or transfer of the Bonds, the State or the Registrar may make a charge sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The State shall not be obligated to (i) issue, exchange or transfer any Bond during the 15 days next preceding any Bond Payment Date, (ii) issue, exchange or transfer any Bonds during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption, or (iii) transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 3.12 Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If any mutilated Bond is surrendered to the Registrar and the Registrar and the State receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and there is delivered to the Registrar or the State such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice that such Bond has been acquired by a bona fide purchaser, the State shall execute and, upon State Request, the Registrar shall authenticate and deliver, in exchange for any such mutilated Bond or in lieu of any such destroyed, lost or stolen Bond, a new Bond of like tenor, and principal amount and redemption provisions, bearing a number unlike that of a Bond contemporaneously Outstanding. The Registrar shall thereupon cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the State in its discretion may, instead of issuing a new Bond, pay such Bond.

(b) Upon the issuance of any new Bond under this Section 3.12, the State may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees or other fees, of the State or the Registrar connected therewith.

(c) Each new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond shall constitute an additional contractual obligation of the State, whether or not the destroyed, lost or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued pursuant to this Resolution. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section 3.13 Holder as Owner of Bond.

The State, the Registrar and any Paying Agent may treat the Holder of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal Installment, Redemption Price and interest on such Bond and for all other purposes, and payment of the Principal Installment, Redemption Price and interest shall be made only to, or upon the order of, such Holder. All payments to such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the State nor any Paying Agent shall be affected by any notice to the contrary.

Section 3.14 Cancellation of Bonds.

The Registrar shall destroy all Bonds surrendered to it for cancellation and shall deliver a certificate to that effect to the State. No such Bonds shall be deemed Outstanding under this Resolution and no Bonds shall be issued in lieu thereof.

Section 3.15 Payments Due on Saturdays, Sundays and Holidays.

In any case where the Bond Payment Date or redemption date shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of the interest on or Principal Installment or Redemption Price of the Bonds need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the Bond Payment Date and no interest shall accrue for the period after such date.

Section 3.16 Conditions Relating to Naming of Interest Rates.

The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds reflect the lowest interest cost to the State at a price of not less than par, but:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
- (b) no rate of interest named shall be more than five (5.00) percentage points;
- (c) a zero (0.0) percentage point rate of interest is not permitted;

(d) each interest rate named shall be a multiple of 1/8th or 1/20th of one (1) percentage point; and

(e) any premium offered must be paid in cash as a part of the purchase price;

provided, however, that the State Treasurer may determine, in his discretion and upon advice received, to waive, modify, amend, or vary the conditions described above (whether prior to the offer for sale of the Bonds, or subsequent to such offer but prior to the award of the Bonds), in order to (i) limit net Bond proceeds, (ii) maintain compliance with constitutional and statutory debt limitations, (iii) maintain level annual debt service within each Fiscal Year, (iv) achieve a more favorable interest rate at the sale of the Bonds and (v) establish a maximum interest rate or maximum interest rates as necessary to maintain compliance with the provisions of the Enabling Act. In addition to the foregoing, the State Treasurer may establish additional terms and conditions for the sale of the Bonds, not inconsistent herewith, prior to the publication of the Notice of Sale (as defined herein).

Section 3.17 Tax Exemption in South Carolina.

Both the Principal Installments and interest on the Bonds shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed by the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes.

Section 3.18 Pledge of Full Faith, Credit and Taxing Power.

For the payment of the Principal Installment and interest on the Bonds as the same respectively mature, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged. In accordance with the provisions of Section 11-29-30 of the South Carolina Code, and in order to provide for the punctual payment of the Principal Installments and interest on the Bonds herein authorized, the State Treasurer is directed to set aside from the Tuition Fees received in each Fiscal Year in which the interest on and Principal Installment of the Bonds are due or will become due so much of the revenues derived from such Tuition Fees as may be necessary in order to pay the interest on and the Principal Installment of all Bonds falling due in such Fiscal Year and the State Treasurer shall thereafter apply such moneys to the punctual payment of such principal and interest as the same respectively fall due. In the event that the revenues derived from the Tuition Fees so pledged prove insufficient to meet the payments of the interest on and the Principal Installment of such Bonds in such Fiscal Year, then the State Treasurer is authorized and directed to set aside from the general tax revenues of the State received in such Fiscal Year so much of such general tax revenues as become needed for such purpose and to apply the same to the punctual payment of the interest on and the Principal Installment of such Bonds due or to become due in such Fiscal Year.

In accordance with the provisions of Article X, Section 13, Paragraph 4 of the South Carolina Constitution if any time any payment of Principal Installment of or interest on the Bonds shall not be paid as and when the same become due and payable, the State Comptroller General shall forthwith levy and the State Treasurer shall collect an *ad valorem* tax without limit as to rate or amount upon all taxable property within the State sufficient to meet the payment of the Principal Installments and interest on the Bonds then due.

Section 3.19 Tuition Fee Deposits.

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

Section 3.20 Bonds Issued in Book-Entry Only Form.

(a) Unless otherwise determined by the State Treasurer, the Bonds will initially be issued under a book-entry only system in fully registered form, registered in the name of Cede & Co. as the registered owner and securities depository nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as initial securities depository for the Bonds. So long as the Bonds are being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bonds will be effected pursuant to rules and procedures established by such securities depository. DTC and any successor securities depositories are hereinafter referred to as the "Securities Depository." Cede & Co. and successor securities depository nominees are hereinafter referred to as the "Securities Depository Nominee."

(b) So long as a book-entry system is in effect for the Bonds, the Securities Depository Nominee will be recognized as the Holder of the Bonds for the purposes of (i) paying the Principal Installment or Redemption Price of and interest on such Bonds, (ii) if Bonds are to be redeemed in part, selecting the portions of such Bonds to be redeemed, (iii) giving any notice permitted or required to be given to Bondholders under this Resolution, (iv) registering the transfer of Bonds, and (v) requesting any consent or other action to be taken by the Holders of such Bonds, and for all other purposes whatsoever, and the State shall not be affected by any notice to the contrary.

(c) The State shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in any Bonds which are registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as Holder of such Bonds.

(d) The State shall pay the Principal Installment, Redemption Price and interest on Bonds issued under a book-entry system only to the Securities Depository or the Securities Depository Nominee, as the case may be, for such Bonds, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the Principal Installment and interest on such Bonds.

(e) In the event that the State determines that it is in the interest of the State to discontinue the book-entry system of transfer for the Bonds, or that the interests of the beneficial owners of the Bonds may be adversely affected if the book-entry system is continued, then the State shall notify the Securities Depository of such determination. In such event, the Registrar and Paying Agent shall authenticate, register and deliver physical certificates for the Bonds in exchange for the Bonds registered in the name of the Securities Depository Nominee.

(f) In the event that the Securities Depository for the Bonds discontinues providing its services, the State shall either engage the services of another Securities Depository or arrange with a Registrar and Paying Agent for the delivery of physical certificates in the manner described in subsection (e) above.

(g) In connection with any notice or other communication to be provided to the Holders of Bonds by the State or by the Registrar and Paying Agent with respect to any consent or other action to be taken by the Holders of Bonds, the State or the Registrar and Paying Agent, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository Nominee notice of such record date not less than 15 days in advance of such record date to the extent possible.

(h) At the closing of the Bonds and the delivery of the same to the purchaser thereof through the facilities of DTC, the Paying Agent and Registrar may maintain custody of Bond certificates on behalf of DTC in accordance with DTC's "FAST" closing procedures.

(i) For as long as the Bonds are being held under a book-entry system of a securities depository, the State shall remit to the Paying Agent and Registrar by 1:00 p.m. New York time on each Bond Payment Date funds for all principal and interest payments due thereupon, or at such earlier time as required by the Paying Agent and Registrar to guarantee that DTC or successor Securities Depository will receive payment in same-day funds by 2:30 p.m. New York time on such Bond Payment Date. In addition, automated payment details receipt shall be provided by the Paying Agent by 12:00 noon New York time of each Bond Payment Date for interest payments and by 2:30 p.m. New York time for redemption and corporate action payments.

Section 3.21 Form of Bonds.

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

Section 3.22 Borrowing in Anticipation of Issuance of Bonds.

Pursuant to the BAN Act, there may be issued from time to time at the discretion of the Governor and the State Treasurer BANs in aggregate principal amount not exceeding \$25,225,000 in anticipation of the issuance of Bonds. If BANs are issued and if, upon the maturity thereof the Governor and the State Treasurer should determine that it would be in the best interest of the State to renew or refund the BANs, they are authorized to renew or refund the BANs from time to time until the Governor and the State Treasurer determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

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

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

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

(d) The BANs may be sold at public or private sale. Bids therefor shall be received until such time and date to be selected by the State Treasurer. Notice of sale of the BANs shall be given in a manner determined by the State Treasurer. Upon receipt of bids for the BANs, the Governor and the State Treasurer shall, and they are hereby authorized to, award the BANs to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the notice of sale and determined at the State Treasurer’s discretion, without further action on the part of the Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award.

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

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

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

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

(i) Both the principal of and interest on the BANs shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State, direct or indirect,

general or special, whether imposed for the purpose of general revenue or otherwise, except estate or other transfer taxes, and certain fees or franchise taxes.

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

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

[End of Article III]

ARTICLE IV
REDEMPTION OR PURCHASE OF BONDS

Section 4.01 Authorization of Redemption.

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

Section 4.02 State's Election to Redeem.

In the event that the State shall elect to redeem Bonds, it shall give notice by State Request to the Registrar and Paying Agent of each optional redemption, which notice may be conditional in the discretion of the State Treasurer. Each State Request shall specify the date fixed for redemption and the Bonds which are to be redeemed. Such notice shall be given at least 60 days prior to the date fixed for redemption or such lesser number of days as shall be acceptable to the Registrar.

Section 4.03 Notice of Redemption.

(a) When any Bonds are to be redeemed, the Registrar shall give notice of the redemption of the Bonds in the name of the State specifying: (i) the Bonds, the particular Series thereof, and maturities to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers and other distinguishing marks of the Bonds to be redeemed unless all of the Bonds Outstanding are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; (vi) whether the redemption of the Bonds is conditioned upon any event; and (vii) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section unless such condition has been satisfied as of the redemption date. The Registrar shall mail by registered mail a copy of such notice, postage prepaid, not less than 30 days before the redemption date to the registered Holders of all the Bonds or portions of the Bonds which are to be redeemed at their addresses which appear upon the registration books, but failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of the Bonds held by Holders to whom written notice has been mailed. The obligation of the Registrar to give the notice required by this Section shall not be conditioned upon the prior payment to the Paying Agent of money or the delivery to the Paying Agent of Authorized Investments or Government Obligations sufficient to pay the Redemption Price of the Bonds to which such notice relates or the interest thereon to the redemption date.

(b) Notice of redemption having been given as provided in subsection (a) hereof, the Bonds or portions thereof so to be redeemed shall, on the date fixed for redemption, become due and payable at the Redemption Price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or portions thereof shall be paid at the Redemption Price, plus accrued interest to the redemption date; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section until such condition has been satisfied as of the redemption date. On and after the redemption date (unless the State shall default in the payment of the Redemption Price and accrued interest, or any conditional provision in the notice shall not have been satisfied as of the redemption date), such Bonds shall cease to bear interest, and such Bonds shall no longer be considered as Outstanding hereunder. If money sufficient to pay the Redemption Price and accrued interest has not been made

available by the State to the Paying Agent on the redemption date, such Bonds shall continue to bear interest until paid at the same rate as they would have borne, had they not been called for redemption, until the same shall have been paid.

Section 4.04 Selection by Registrar of Bonds to be Redeemed.

(a) If less than all of the Bonds of like maturity are to be redeemed, the particular Bonds or portions of the Bonds to be redeemed shall be selected, not less than 45 days prior to the date fixed for redemption, by the Registrar by lot or in such other manner as the Registrar may deem to be appropriate, provided, however, that for so long as the Bonds are held in book-entry only form, the selection of Bonds to be redeemed hereunder shall be in accordance with the rules of the Securities Depository.

(b) In making such selection, the Registrar shall treat each Bond to be redeemed as representing that number of Bonds of the lowest authorized denomination as is obtained by dividing the principal amount of such Bond by such denomination. If any Bond is to be redeemed in part, the portion to be so redeemed shall be in a principal amount of an authorized denomination.

(c) The Registrar shall promptly notify the State in writing of the Bonds so selected for redemption.

Section 4.05 Deposit of Redemption Price.

On or before any date fixed for redemption of any Bonds, cash and/or a principal amount of non-callable Government Obligations maturing or redeemable at the option of the Holder thereof not later than the date fixed for redemption which, together with income to be earned on such Government Obligations prior to such date fixed for redemption, will be sufficient to provide cash to pay the Redemption Price of and accrued interest on all Bonds or portions thereof which are to be redeemed on such date, shall be deposited with the Paying Agent unless such amount shall have been previously deposited with the Paying Agent. Provided, however, that in the event of a conditional redemption such condition is not met, this Section 4.05 is inapplicable.

Section 4.06 Partial Redemption of Bonds.

In the event part but not all of a Bond Outstanding shall be selected for redemption, upon presentation and surrender of such Bond by the Holder thereof or his attorney duly authorized in writing (with, if the State or the Registrar so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the State and the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) to the Registrar, the State shall execute and the Registrar shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of any authorized denomination of like tenor. Bonds so presented and surrendered shall be cancelled in accordance with Section 3.14 hereof.

Section 4.07 Purchases of Bonds Outstanding.

Purchases of Bonds Outstanding may also be made by the State at any time with money available to it from any source. Upon any such purchase the State shall deliver such Bonds to the Registrar for cancellation.

[End of Article IV]

ARTICLE V
SALE OF BONDS

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

(a) The Bonds shall be sold at public sale on such terms as may be prescribed by the State Treasurer. Bids shall be received until such time and date to be selected by the State Treasurer. The form of the notice of sale shall be substantially similar to that set forth in Exhibit G attached hereto (the "Notice of Sale") and made a part hereof. The Notice of Sale, or, at the election of the State Treasurer, a summary thereof, shall be published in a financial paper published in the City of New York, New York, which regularly publishes notices of sale of state or municipal bonds, which Notice of Sale shall each appear at least once and not less than seven days before the date set for said sale. The Notice of Sale may be combined with a notice of sale for other general obligation bonds of the State being offered for sale at the same time, if any.

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

Section 5.02 Award of Bonds.

Upon receipt of bids for the Bonds, the Governor and the State Treasurer shall, and they are hereby authorized to, award the Bonds to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the Notice of Sale and determined at the State Treasurer's discretion, without further action on the part of the Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award. The State shall have the right to reject all proposals and to re-advertise the Bonds for sale. Any proposal not conforming to the Notice of Sale may be rejected, but the State shall have the right to waive technicalities.

Section 5.03 Official Statement.

The Authority hereby authorizes the State Treasurer to prepare or cause to be prepared and to "deem final," within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, a preliminary official statement relating to the Bonds and to prepare or cause to be prepared and to approve a final official statement following the sale of the Bonds. The Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the Bonds.

Section 5.04 Combined Sales.

If the State Treasurer deems it prudent, the Bonds may be sold in combination with other series of general obligation bonds of the State, the issuance of which shall have been properly authorized and the form and details for which may be provided for in the same preliminary official statement and same final official statement as that for the Bonds.

[End of Article V]

ARTICLE VI
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments.

(a) The proceeds derived from the sale of the Bonds shall be applied and disposed of as follows:

(i) accrued interest, if any, shall be applied to the payment of the first installment of interest to become due on the Bonds;

(ii) the premium, if any, shall be applied as determined by the State Treasurer;

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

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

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

(c) Neither the purchaser of the Bonds nor any registered Holder of the Bonds shall be liable for the proper application of the proceeds of the Bonds or the BANs.

[End of Article VI]

ARTICLE VII
DEFEASANCE OF BONDS

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

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

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

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

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

(d) Subject to the provisions of Section 59-107-200 of the Enabling Act, if applicable, if the State shall elect to provide for the payment of the Bonds prior to their stated maturities and shall have deposited with the Escrow Agent in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with said Escrow Agent at the same time, shall be sufficient to pay when due the Principal Installment or Redemption Price to become due on their maturity dates or redemption dates, as the case may be, on the Bonds on and prior to their maturity dates or redemption dates, and interest due on the Bonds on or prior to their maturity or redemption dates, as the case may be. In the event that the State shall elect to redeem Bonds prior to their stated maturities, the State shall proceed in the manner prescribed by Article IV hereof, subject to the provisions of Section 3.20 in the event that at the time of such election the Bonds Outstanding are issued in book-entry only form.

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

Section 7.02 Notice of Defeasance.

Upon the defeasance of the Bonds, all notices required by the South Carolina Code and the Continuing Disclosure Undertaking shall be given.

[End of Article VII]

ARTICLE VIII
CONCERNING THE FIDUCIARIES

Section 8.01 Fiduciaries: Appointment and Acceptance of Duties.

Each Fiduciary shall accept the duties and trusts imposed upon it by this Resolution and shall agree in writing to perform such trusts but only upon the terms and conditions set forth in this Article VIII. Similarly, each financial institution appointed as a successor Registrar, a successor Paying Agent or successor Escrow Agent shall signify its acceptance of the duties and trusts imposed by this Resolution by a written acceptance.

Section 8.02 Responsibilities of Fiduciaries.

The recitals of fact herein and in the Bonds contained shall be taken as the statements of the State and no Fiduciary assumes any responsibility for the correctness of the same except in respect of the authentication certificate of the Registrar endorsed on the Bonds. No Fiduciary makes any representations as to the validity or sufficiency of this Resolution or of any Bonds or as to the security afforded by this Resolution, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof or to advance any of its own moneys, unless indemnified to its reasonable satisfaction. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Section 8.03 Evidence on Which Fiduciaries May Act.

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the State, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

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

Section 8.04 Compensation.

The State shall pay to each Fiduciary from time to time reasonable compensation based on the then standard fee schedule of the Fiduciary for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution; provided, however, that any specific agreement between the State and a Fiduciary with respect to the compensation of such Fiduciary shall control the compensation to be paid to such Fiduciary.

Section 8.05 Certain Permitted Acts.

Any Fiduciary may become the Owner or underwriter of any Bonds, notes or other obligations of the State or conduct any banking activities with respect to the State, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as 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 THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

Fiscal Year Ending	Existing Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 3,040,000	\$ 874,538	\$ 3,914,538
June 30, 2024	3,170,000	1,613,275	4,783,275
June 30, 2025	2,445,000	1,475,650	3,920,650
June 30, 2026	2,565,000	1,353,400	3,918,400
June 30, 2027	2,705,000	1,225,150	3,930,150
June 30, 2028	2,835,000	1,089,900	3,924,900
June 30, 2029	2,985,000	948,150	3,933,150
June 30, 2030	3,105,000	824,900	3,929,900
June 30, 2031	3,240,000	696,350	3,936,350
June 30, 2032	2,190,000	561,950	2,751,950
June 30, 2033	2,270,000	480,850	2,750,850
June 30, 2034	2,355,000	396,550	2,751,550
June 30, 2035	2,440,000	308,900	2,748,900
June 30, 2036	2,530,000	217,900	2,747,900
June 30, 2037	985,000	123,300	1,108,300
June 30, 2038	1,010,000	93,750	1,103,750
June 30, 2039	1,040,000	63,450	1,103,450
June 30, 2040	1,075,000	32,250	1,107,250
Total	<u>\$ 41,985,000</u>	<u>\$ 12,380,213</u>	<u>\$ 54,365,213</u>

EXHIBIT B

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

Set forth below are the tuition and fees charged by each of the Academic Division's Colleges for resident and non-resident students for the 2022-2023 academic year (excluding the summer term) on an annual basis (except as shown):

	<u>In-State¹</u>	<u>Out-of-State¹</u>
Dental Medicine		
Doctor of Dental Medicine	\$17,150	\$30,000
Dental Scientist Training Program	7,905	7,905
Master of Science in Dentistry - Endodontics	20,338	20,338
Master of Science in Dentistry - Periodontics	3,218	3,902
Master of Science in Dentistry - Orthodontics	3,218	3,902
Master of Science in Dentistry - Digital Dentistry	20,167	20,167
Graduate Studies		
Master of Science in Biomedical Sciences	\$ 6,752	\$9,484
Master of Science in Clinical Research	6,887	10,538
Master of Science in Medical Sciences	7,025	10,538
Ph.D. Program	7,954	10,686
Health Professions		
Bachelor of Science in Healthcare Studies	\$4,900	\$4,900
Cardiovascular Perfusion	8,149	12,831
Master in Extracorporeal Science		6,000
Master in Genetic Counseling	9,000	12,831
Doctor of Nurse Anesthesia Practice - Post-Masters	7,724	7,956
Doctor of Nurse Anesthesia Practice - Post-Baccalaureate	7,724	11,397
Master in Health Administration-Executive	8,525	9,682
Master in Health Administration-Residential	8,525	12,828
Master of Science in Health Informatics	8,525	8,525
Master of Science in Speech Pathology	8,349	12,465
Master of Science in Physical Assistant Studies	8,274	14,787
Doctor of Health Administration - Health Professional	10,290	10,290
Doctor of Health Administration - Health Administrator	10,290	10,290
Doctor of Health Administration -Interprofessional	6,958	6,958
Doctor of Health Administration- Information Systems	6,958	6,958
Ph. D. in Health and Rehabilitation Science	6,202	6,569
Doctor of Physical Therapy	8,142	12,280
Doctor of Occupational Therapy	8,346	12,465
Medicine		
First Year	\$12,500	\$22,283

For the fiscal year ended June 30, 2022, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$15,185,306. The tuition and fees generated for the 2022 summer term are not included.

The maximum principal and interest debt service payment after the issuance contemplated herein is anticipated to be \$6,596,480, which is anticipated to occur in the fiscal year ending June 30, 2024.

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EXHIBIT C

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
PRO-FORMA DEBT SERVICE REQUIREMENTS OF
NOT EXCEEDING \$25,225,000 STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 415,000	\$ 340,833	\$ 755,833
June 30, 2024	1,005,000	808,205	1,813,205
June 30, 2025	1,030,000	784,185	1,814,185
June 30, 2026	1,055,000	759,568	1,814,568
June 30, 2027	1,080,000	733,721	1,813,721
June 30, 2028	1,105,000	707,261	1,812,261
June 30, 2029	1,135,000	679,415	1,814,415
June 30, 2030	1,165,000	650,359	1,815,359
June 30, 2031	1,195,000	619,719	1,814,719
June 30, 2032	1,230,000	587,096	1,817,096
June 30, 2033	1,260,000	552,656	1,812,656
June 30, 2034	1,300,000	513,722	1,813,722
June 30, 2035	1,345,000	470,562	1,815,562
June 30, 2036	1,390,000	423,487	1,813,487
June 30, 2037	1,440,000	373,308	1,813,308
June 30, 2038	1,495,000	319,884	1,814,884
June 30, 2039	1,550,000	262,924	1,812,924
June 30, 2040	1,610,000	202,629	1,812,629
June 30, 2041	1,675,000	138,873	1,813,873
June 30, 2042	1,745,000	71,371	1,816,371
Total	\$ 25,225,000	\$ 9,999,771	\$ 35,224,771

* Preliminary, subject to change.

EXHIBIT D

SCHEDULE SHOWING PRO-FORMA TOTAL PRINCIPAL AND INTEREST REQUIREMENTS OF
ALL GENERAL OBLIGATION STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
INCLUDING THE PROPOSED ISSUE OF
TWENTY-FIVE MILLION TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$25,225,000)
OF GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	Combined Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 3,455,000	\$ 1,215,370	\$ 4,670,370
June 30, 2024	4,175,000	2,421,480	6,596,480
June 30, 2025	3,475,000	2,259,835	5,734,835
June 30, 2026	3,620,000	2,112,968	5,732,968
June 30, 2027	3,785,000	1,958,871	5,743,871
June 30, 2028	3,940,000	1,797,161	5,737,161
June 30, 2029	4,120,000	1,627,565	5,747,565
June 30, 2030	4,270,000	1,475,259	5,745,259
June 30, 2031	4,435,000	1,316,069	5,751,069
June 30, 2032	3,420,000	1,149,046	4,569,046
June 30, 2033	3,530,000	1,033,506	4,563,506
June 30, 2034	3,655,000	910,272	4,565,272
June 30, 2035	3,785,000	779,462	4,564,462
June 30, 2036	3,920,000	641,387	4,561,387
June 30, 2037	2,425,000	496,608	2,921,608
June 30, 2038	2,505,000	413,634	2,918,634
June 30, 2039	2,590,000	326,374	2,916,374
June 30, 2040	2,685,000	234,879	2,919,879
June 30, 2041	1,675,000	138,873	1,813,873
June 30, 2042	1,745,000	71,371	1,816,371
Total	\$ 67,210,000	\$ 22,379,984	\$ 89,589,984

* Preliminary, subject to change.

EXHIBIT E

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
PROOF SHOWING COMPLIANCE WITH
TITLE 59, CHAPTER 107, CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

Aggregate of tuition fees received by the University during preceding fiscal year ended June 30, 2022	\$15,185,306
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Multiplied by	90%
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Produces	\$13,666,775
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Maximum annual debt service on all State Institution Bonds of the University (including the proposed issue of not exceeding Twenty-Five Million Two Hundred Twenty-Five Thousand Dollars (\$25,225,000) General Obligation State Institution Bonds issued on behalf of the University)	\$6,596,480
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Margin	\$7,070,296
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(FORM OF BOND)
(FACE OF BOND)

UNITED STATES OF AMERICA
GENERAL OBLIGATION STATE INSTITUTION BOND
(ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA)
SERIES 20____
OF THE STATE OF SOUTH CAROLINA

No. R-1

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

Registered Holder: CEDE & CO.

Principal Amount: _____ DOLLARS (\$_____))

THE STATE OF SOUTH CAROLINA (the "State") acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder named above, or registered assigns, the Principal Amount stated above, on the Maturity Date set forth above, unless this Bond be subject to redemption and shall have been redeemed prior thereto as hereinafter provided, upon presentation and surrender of this Bond at the Corporate Trust Office of _____, in the City of _____, State of _____ (the "Paying Agent"), and to pay interest on such Principal Amount at the Rate of Interest set forth above (calculated on the basis of a 360-day year consisting of twelve 30-day months), until the obligation of the State with respect to the payment of such Principal Amount shall be discharged.

So long as Cede & Co., as nominee of The Depository Trust Company ("DTC"), is the Registered Owner of the Bonds, references in this Bond to the Bondholders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners.

The State, the Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purpose of the payment of the principal of or interest or premium, if any, on the Bonds, giving any notice permitted or required to be given to Bondholders under the Resolution, hereinafter defined, registering the transfer of Bonds, obtaining any consent or action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The State, the Registrar and the Paying Agent shall not have any responsibility or obligation to any direct participant, any person claiming a beneficial ownership in the Bonds under or through DTC or any Direct Participant or any other person which is not shown on the Registration Books of the State (kept by the Registrar) as being a Bondholder with respect to: the accuracy of any records maintained by DTC or any Direct Participant; the payment by DTC or any Direct Participant of any amount in respect of the principal of or interest or premium, if any, on the Bonds; any notice which is permitted or required to be given to Bondholders thereunder or under the conditions for transfers or exchanges adopted by the State; or any consent given or other action taken by DTC as a Bondholder.

Interest on the Bonds is payable on ____ 1 and ____ 1 of each year (the "Bond Payment Dates") beginning ____ 1, 20___. The interest payable on any Bond Payment Date for any Bond shall be paid to the person in whose name the Bond is registered at the close of business on the 15th day next preceding such Bond Payment Date.

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

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

This Bond is one of an issue of Bonds in the aggregate principal amount of _____ dollars (\$_____,000) of like tenor, except as to registered owner, numbering, rate of interest, redemption provisions, and date of maturity, issued pursuant to and in accordance with the Constitution and statutes of the State of South Carolina, including, particularly the provisions of Chapter 107, Title 59 of the Code of Laws of South Carolina 1976, as amended, as supplemented by Sections 11-27-30 and 11-29-30 of the Code of Laws of South Carolina 1976, as amended, and a resolution (the "Resolution") duly adopted by the South Carolina State Fiscal Accountability Authority on _____, 20__.

[Insert Redemption Provisions]

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution. Certified copies of the Resolution are on file in the office of the Registrar, in the office of the Paying Agent and in the office of the Secretary of State of South Carolina.

For the payment of the principal of and interest on this Bond as the same respectively matures, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged.

This Bond and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

This Bond is issuable only as a fully registered Bond without coupons in denominations of \$1,000 and any whole multiple of \$1,000. This Bond is transferable, as provided in the Resolution, only upon the registration books kept for that purpose at the Corporate Trust Office of the Registrar by the Registered Holder in person or by his duly authorized attorney, upon (i) surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his duly authorized attorney; and (ii) payment of the charges, if any, prescribed in the Resolution. Thereupon a new fully registered Bond or Bonds of like series designation, maturity and interest rate, and in a like aggregate principal amount will be issued to the transferee in exchange therefor as provided in the Resolution. The State, the Paying Agent and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

The State shall not be obligated to issue, exchange or transfer this Bond during the 15 days next preceding any Bond Payment Date. For every exchange or transfer of the Bonds, the State, the Paying Agent, or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and Statutes of the State of South Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, that the amount of this Bond, together with all other indebtedness of the State of South Carolina, does not exceed any limit prescribed by such Constitution or Statutes, and that provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on this Bond and the issue of Bonds of which this Bond is one.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

IN WITNESS WHEREOF, the State of South Carolina has caused this Bond to be signed in its name by the manual or facsimile signatures of the Governor of South Carolina and the State Treasurer of South Carolina, the Great Seal of the State of South Carolina to be reproduced hereon and the same to be attested by the manual or facsimile signature of the Secretary of State of South Carolina.

THE STATE OF SOUTH CAROLINA

SEAL

Henry D. McMaster
Governor

Curtis M. Loftis, Jr.
State Treasurer

Attest:

Mark Hammond
Secretary of State

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Resolution.

[REGISTRAR], as Registrar

By: _____
Authorized Signatory

Date: _____, 20__

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(please print or type name and address of Transferee and Social Security or other identifying number of Transferee)

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

NOTE: The signature to this assignment must correspond with the name(s) on the face of the foregoing bond in every particular, without alteration.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("Stamp") or similar program.

The following abbreviations shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT _____	Custodian _____
TEN ENT --	as tenants by the entireties		(Cust) (Minor)
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	Under Uniform Gift to Minors Act of the State of _____	

Additional abbreviations may be used though not in the list above.

(FORM OF OFFICIAL NOTICE OF SALE)

OFFICIAL NOTICE OF SALE

\$ _____ *
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA)
SERIES _____

(BOOK-ENTRY ONLY)

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

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. 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:

* Subject to adjustment as set forth herein.

____ 1 Principal Amount*

____ 1 Principal Amount*

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 schedule and the final aggregate principal amounts of the Bonds (the "Final Amounts") to achieve the State's debt service objectives. The successful bidder may not withdraw its bid or change the interest rates bid or the Initial Reoffering Prices as a result of any changes made to the revised amounts.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount or premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Bonds from the selling compensation that would have been received based on the purchase price for the Bonds of the winning bid and the Initial Reoffering Prices. The interest rate specified by the successful bidder 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 successful bidder as soon as possible, but no later than 5:00 p.m. (Eastern Time) on the day of the sale.

Electronic Bidding Procedures. Bids to purchase Bonds (all or none) must be submitted electronically via PARITY®. Bids will be communicated electronically to the State at ____ a.m. (Eastern Time) on ____, _____. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via PARITY®, (2) modify the proposed terms of its bid, in which event the proposed

*Subject to adjustment as set forth herein.

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.**

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 successful bidder or bidders.

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

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

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

Documents to be Delivered at Closing. The State will furnish, without cost to the successful bidder (hereinafter, 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 and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (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 for tax years beginning after December 31, 2022; 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.

Undertakings of the Purchaser. 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.

CUSIP Numbers. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Bonds. The State's Financial Advisor will timely apply for CUSIP numbers with respect to the Bonds as required by MSRB Rule G-34. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the State. However, the CUSIP Global Services charge for the assignment of such numbers shall be the responsibility of and shall be paid by the Purchaser.

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

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

Additional Information. Prospective purchasers may obtain, in advance of the sale, copies of the Preliminary Official Statement relating to the Bonds from (i) the MuniOS website, <http://www.MuniOS.com>; (ii) Robert Macdonald, Director Debt Management Division, Office of State Treasurer, 122 Wade Hampton Office Building, Columbia, South Carolina 29201 (telephone: (803) 734-2677; email: robert.macdonald@sto.sc.gov); or (iii) Samuel W. Howell IV, Disclosure Counsel, Howell Linkous & Nettles, LLC, The Lining House, 106 Broad Street, Charleston, South Carolina, 29401 (telephone: (843) 266-3801; email: samhowell@bond-law.com).

Henry D. McMaster, Governor of South Carolina

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

Dated _____, 20__

FORM OF ISSUE PRICE CERTIFICATE FOR
QUALIFIED COMPETITIVE BID

ISSUE PRICE CERTIFICATE

\$ _____ *

STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA),
SERIES 20 _____

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

1. Reasonably Expected Initial Offering Price.

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

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

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

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

2. Defined Terms.

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

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

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

* Subject to adjustment as set forth herein.

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

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

Signed this ____ day of _____, ____.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Offering Prices

Schedule B

Copy of Winning Bid

FORM OF ISSUE PRICE CERTIFICATE FOR
NONQUALIFIED COMPETITIVE BID

ISSUE PRICE CERTIFICATE

\$ _____ *

STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA),
SERIES 20 _____

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

1. ***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 _____, 2022.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Initial Offering Prices of the Bonds

Schedule B

Copy of Winning Bid

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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

The Bonds are being issued pursuant to a resolution adopted on ____, 20__ (the "Resolution"), by the State Fiscal Accountability Authority authorizing the issuance of the Bonds. The State covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the State for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the U.S. Securities and Exchange Commission (the "SEC") Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution or elsewhere in this Disclosure Undertaking, which apply to any capitalized terms used in this Disclosure Undertaking, the following capitalized terms shall have the following meanings:

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

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

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

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

"Financial Obligation" as used in this Disclosure Undertaking is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

"Official Statement" means the Official Statement dated ____, 20__, prepared in connection with the Bonds.

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

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

“State” means the State of South Carolina.

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

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

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

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

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

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

Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available;

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

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

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

(e) Total general obligation bonds per capita as set forth in the Official Statement under the heading "TABLES RELATING TO THE BONDS AND THEIR EFFECT ON THE DEBT OF THE STATE-Relationship of Population and Personal Income to General Obligations of the State."

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

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

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, if material;
- (viii) Bond calls, if material and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;

- (xii) bankruptcy, insolvency, receivership or similar event of any obligated person, which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;
- (xiii) the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (xv) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

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

Section 8. Dissemination Agent. The State may, from time to time, appoint or engage a Dissemination Agent to assist in its carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The

Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the State pursuant to this Disclosure Undertaking.

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

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

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

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

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

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

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

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and in any separate written agreement between the Issuer and the Dissemination Agent.

Section 13. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the State, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Undertaking is not intended to create any monetary rights on behalf of any person.

THE STATE OF SOUTH CAROLINA

Date: _____, 20__

By: _____
State Treasurer

EXHIBIT A

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

Issuer: The State of South Carolina

Obligations: \$_____ General Obligation State Institution Bonds (Issued on Behalf of
The Medical University of South Carolina), Series 20__

Date of Issuance: _____, 20__

CUSIP: _____

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

THE STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____



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[FORM OF BOND COUNSEL OPINION]

[Date of Delivery]

South Carolina State Fiscal Accountability Authority
Columbia, South Carolina

Re: \$_____ General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2022, of the State of South Carolina

Ladies and Gentlemen:

We have acted as bond counsel to the State of South Carolina (the "State") in connection with the issuance of \$_____ General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2022, 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 November 1, 2022, by the South Carolina State Fiscal Accountability Authority, for the purpose of raising funds for purposes authorized by the Enabling Act, and to pay the costs of issuance of the Bonds.

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

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, that:

1. The Bonds are valid and legally binding general obligations of the State.
2. The full faith, credit, and taxing power of the State and, in addition, the revenues derived from Tuition Fees received by The Medical University of South Carolina are pledged to the payment of the principal of and interest on the Bonds as they become due and payable. Provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on the Bonds.
3. 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 Internal Revenue Code of 1986, as amended (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 for tax years beginning after December 31, 2022.

Our opinion as to the exclusion of interest on the Bonds from gross income is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order for that interest to be, and continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date of issuance of the Bonds.

We express no opinion regarding any other federal tax consequences that may arise with respect to the Bonds.

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 _____, 2022, or the Official Statement dated _____, 2022, relating to the Bonds.

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

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

Pope Flynn, LLC

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF November 9, 2022

REGULAR SESSION
ITEM NUMBER 11

AGENCY: Executive Director

SUBJECT: Unused State Ceiling – Category Reassignment
South Carolina State Ceiling Allocation Plan - 2022

On August 30, 2022, and in accordance with Act 202 of 2022, the Authority adopted a plan governing the State's allocation of state ceiling during calendar year 2022. In accordance with the Act, the Plan provides for two allocation periods during 2022, designates the beginning of those two periods as February 1 and August 1, and allows for 50% of the state ceiling (\$285,488,775) to be allocated at one meeting during each period, exclusive of any reassignment.

At the time of adoption, the first allocation period was already expired, leaving \$285,488,775 effectively designated as unused state ceiling. Section 1-11-520(C) authorizes the Authority to reassign unused ceiling and allows such reassignments to be made to any allocation category, notwithstanding its original assignment.

Consistent with Section 1-11-520(C), Section F of the Plan contemplates that this unused ceiling would be available for reassignment during the second allocation period. The Plan provides for allocations during the second period to be made at the Authority's current meeting.

Following the canvassing of projects described in Section L of the Plan and the expiration of the deadline for submission of projects to receive an allocation during the second allocation period, the Authority Secretary has determined that the following authorized request cannot be approved by the Authority without reassignment: an Industrial and Economic Development project submitted by the South Carolina Jobs-Economic Development Authority on behalf of American Titanium Works, LLC seeking an allocation of state ceiling not exceeding \$399,684,285.

Currently, Section F of the Plan allocates \$114,195,510 in state ceiling to the Industrial and Economic Development category. If the Authority approves reassignment of \$285,488,775 in unused state ceiling from the February 2022 allocation period to the Industrial and Economic Development category, \$399,684,285 in current-year state ceiling will be available for allocation to authorized requests in the category of Industrial/Economic Development, which would allow the Authority to approve the above-referenced request.

AUTHORITY ACTION REQUESTED:

Approve the reassignment of \$285,488,775 in unused state ceiling from the February 2022 allocation period to the Industrial and Economic Development category as shown in Section F of the 2022 State Ceiling Allocation Plan.

ATTACHMENTS:

1. 2022 South Carolina State Ceiling Allocation Plan
2. 2022 Act 202 (H. 5075)

2022 South Carolina State Ceiling Allocation Plan

SECTION A. BACKGROUND AND PURPOSE

Among other things, Act 202 of 2022 amended the provisions of Article 3 of Chapter 11, Title 1 of the 1976 Code, which provides for the allocation of state ceiling necessary for the issuance of private activity bonds. The Act requires allocation of the private activity bond limit by the State Fiscal Accountability Authority (the State Authority) for all issuing authorities in response to authorized requests. The Act further requires that the State Authority publish a State Ceiling Allocation Plan that assigns percentages to the purposes permitted by the Internal Revenue Code, subject to certain limitations. The Allocation Plan must provide for a process of periodic allocations of state ceiling equally divided among the periods during the year in which allocations are to be made, with certain exceptions. The Allocation Plan must establish competitive criteria for the allocation of state ceiling, which may be unique to each category but must be uniform within each category and established to achieve highest value and greatest public benefit. The Act provides limitations on amounts assigned to authorized requests, with certain exceptions. The State Authority is permitted to utilize the services of the South Carolina Department of Commerce, the South Carolina State Housing Finance and Development Authority, other state agencies, and public or private resources, to establish and inform development of the allocation plan, competitive criteria, and periodic evaluation of authorized requests.

The provisions of the Act are effective for allocations of state ceiling beginning January 1, 2022, and thereafter. For the first year of implementation, the State Authority is authorized to adopt such special procedures as may be necessary to effect the requirements of the Act.

The purpose of this plan is to establish the State Ceiling Allocation Plan for calendar year 2022, as well as any special procedures applicable thereto; to otherwise establish policies and procedures in accordance with the provisions of the Act; and to provide for a coordinated effort to prepare and publish an allocation plan for 2023.

SECTION B. DETERMINATION OF STATE CEILING

Pursuant to Section 1-11-500 of the 1976 Code, the Secretary of the State Authority certified that the state ceiling on the issuance of private activity bonds for calendar year 2022 is \$570,977,550.

SECTION C. DETERMINATION OF LIMITS ON STATE CEILING FOR AUTHORIZED REQUESTS

Pursuant to Section 1-11-520(D), the amount of state ceiling that may be allocated to an authorized request may not exceed 10% (\$57,097,755.00) in the case of an industrial or economic development project, or 5% (\$28,548,877.50) for any other authorized request. The same limitations shall apply to any requests for issuance approval for use of prior year carryforward.

The State Authority may approve an amount exceeding these limitations only upon justification and substantial findings of significance. Requests for such approval must be made to the Authority in writing and adequately supported. The State Authority reserves the right to seek

2022 South Carolina State Ceiling Allocation Plan

any additional information from an applicant necessary to support a substantial finding of significance.

SECTION D. 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 and other adjustments are subject to the provisions of this Allocation Plan, as follows:

Amount determined pursuant to Section 1-11-500	\$570,977,550
Less amounts previously allocated	(0)
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 Single-Family Housing (2019; expires 2022)	374,998,335
Allocated to Multi-Family Housing (2020; expires 2023)	316,453,232
Allocated to Multi-Family Housing (2021; expires 2024)	<u>2,839,401</u>
Total	\$1,265,268,518

SECTION E. AVAILABILITY OF AMOUNTS; PERIODIC ALLOCATION

Pursuant to Section 1-11-520(A), and subject to the special provisions below, the State Authority hereby makes an initial assignment of the state ceiling applicable to calendar year 2022 pursuant to Section 1-11-500 to the following categories of permitted purposes¹ prescribed by the Internal Revenue Code:

Industrial and Economic Development (40%) ²	\$ 228,391,020
Single-family Housing (40%) ³	228,391,020
Multi-family Housing (0%) ⁴	0
Other Qualified Purposes (20%) ⁵	114,195,510

SECTION F. PERIODIC ALLOCATION

Pursuant to Section 1-11-520(B), the State Authority hereby provides for two (2) allocation periods for 2022, and hereby designates February 1 and August 1 as allocation dates, on which 50% of the state ceiling assigned to each category is made available for subsequent allocation to authorized requests and on which dates issuance approval for use of carryforward will be made. Allocations to authorized requests and issuance approval for carryforward use will be made only at the meeting of the State Authority immediately following each allocation date;

¹ Generally, see IRS Publication 4078 (Rev. 9-2019) for a complete list of permitted purposes prescribed by the IRC.

² 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.

³ Qualified mortgage bonds.

⁴ Qualified residential rental projects.

⁵ Mass commuting facilities; privately owned high-speed intercity rail facilities; qualified redevelopment bond; and qualified student loan bonds.

2022 South Carolina State Ceiling Allocation Plan

provided, for 2022, the August allocation will be effected at the Authority's regularly scheduled October meeting.

The following table summarizes these provisions.

Category	Category Percentage	Category Amount	Amount Available for Allocation to Authorized Requests on or after February 1, 2022	Amount Available for Allocation to Authorized Requests on or after August 1, 2022
Industrial and Economic Development	40%	\$228,391,020	\$114,195,510	\$114,195,510
Multi-Family Housing	0%	\$0.00	\$0.00	\$0.00
Single-Family Housing	40%	\$228,391,020	\$114,195,510	\$114,195,510
Other Qualified Purposes	20%	\$114,195,510	\$ 57,097,755	\$ 57,097,755
Totals	100%	\$570,977,550	\$ 285,488,775	\$ 285,488,775

The amount available for allocation to authorized requests on February 1, 2022 has not been allocated to any authorized requests as of the date of adoption of this plan. Section 1-11-520(C) expressly provides that "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." Such reassignment, if made, will be determined on or after the August 1, 2022, allocation date.

If an authorized request cannot be approved pursuant to the then-current plan even with a reassignment pursuant to Section 1-11-520(C), the Authority's Secretary is authorized to not place the request on the Authority's agenda. In such an event, Authority's Secretary will notify the Authority's members well in advance of the scheduled meeting date.

SECTION G. PERIODIC ALLOCATION FOR INDUSTRIAL AND ECONOMIC DEVELOPMENT

The amount of state ceiling available for this category for each allocation date is \$114,195,510. The amount available for the February 1 allocation date has not been allocated to any authorized requests as of the date of adoption of this plan.

SECTION H. PERIODIC ALLOCATION FOR SINGLE-FAMILY HOUSING

The amount of state ceiling available for this category for each allocation date is \$114,195,510. The amount available for the February 1 allocation date has not been allocated to any authorized requests as of the date of adoption of this plan.

As noted above, there is available \$374,998,335 carried forward from calendar year 2019 that will expire in calendar year 2022 unless otherwise utilized. On May 31, 2022, the Authority approved the issuance and sale by the State Housing Finance and Development Authority of not

2022 South Carolina State Ceiling Allocation Plan

exceeding \$375,000,000 in mortgage revenue bonds and short-term notes to preserve this allocation.

SECTION I. PERIODIC ALLOCATION FOR MULTI-FAMILY HOUSING

No amount of state ceiling for the 2022 calendar year is designated for allocation to Multi-family Housing, and no assignment of state ceiling is contemplated for this category until the available carryforward is exhausted. As noted above, there is carryforward available that will expire in calendar year 2023 unless otherwise utilized. The State Housing Finance and Development Authority shall endeavor to utilize this carryforward.

In addition to the determination made above, the State Authority recognizes that authorized requests and issuance approval requests made through local housing authorities will be further impacted by other aspects of this policy. Act 202 contemplates that State Housing will perform the periodic evaluation and ranking of authorized requests for state ceiling, and requires State Housing to administer the allocation of the state housing tax credit. Both requirements involve the use of a competitive process that must be applied uniformly as to any multi-family housing project seeking an allocation of current year ceiling or issuance approval for projects using carryforward. In addition, the statutory standard for the competitive criteria required for both state ceiling and the state tax credit is "highest value and greatest public benefit." Accordingly, prior to submission to the State Authority, authorized requests for state ceiling and requests for issuance approval of bonds using carryforward previously allocated to State Housing for multi-family housing projects must, as a practical matter, be submitted to State Housing for underwriting and evaluation for allocation of state ceiling or issuance approval involving the use or carryforward, for compliance with the corresponding federal low-income housing tax credit, and, as applicable, for the ranking associated with allocation of the state housing tax credit. For additional guidance regarding the submission of authorized requests for ceiling allocation or for issuance approval for use of carryforward for multifamily housing, see the Submission Criteria for Authorized Requests section below.

SECTION J. PERIODIC ALLOCATION FOR OTHER QUALIFIED PURPOSES

The amount of state ceiling available for this category for each allocation date is \$57,097,755. The amount available for the February 1 allocation date has not been allocated to any authorized requests as of the date of adoption of this plan.

SECTION K. REASSIGNMENT OF UNUSED STATE CEILING AND PLAN AMENDMENTS

The amounts not allocated to authorized requests for the 2022 calendar year may be reassigned by the State Authority on or after August 1, 2022, in accordance with the provisions of Section 1-11-520(C), following the process described below. 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) requires 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.

2022 South Carolina State Ceiling Allocation Plan

SECTION L. SUBMISSION FOR 2022 RANKING AND REQUIRED REPORTS FOR NECESSARY INFORMATION

Industrial and Economic Development Bonds

Not later than September 19, 2022, Commerce must provide the State Authority with its final evaluation and ranking for allocation of state ceiling to these authorized requests in accordance with the competitive criteria described herein, as well as its allocation recommendations.

Commerce and the South Carolina Jobs Economic Development Authority (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 each of the calendar years 2022 and 2023 no later than August 1, 2022. The response must include the project name,⁶ amount of the state ceiling request, year of allocation, and tentative recommendation of Commerce in accordance with the competitive criteria described below.

For the 2023 calendar 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 Housing Bonds

Not later than September 19, 2022, State Housing must provide the State Authority with a report of its evaluation and ranking for allocation of state ceiling to all authorized requests for state ceiling and all issuance requests for issuance approval for use of carryforward in accordance with the competitive criteria described below. State Housing's report must also include its evaluation and ranking of all pending state tax credit applications. As noted in Section N below, State Housing must provide the State Authority with written confirmation of its Board's allocation recommendations for State Housing projects no later than September 30, 2022.

The State Housing Finance and Development Authority 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 each of the calendar years 2022 and 2023 not later than August 1, 2022. The report must also identify all pending and expected requests for issuance approval for use of carryforward for the years 2022 and 2023. 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 year-end carryforward needed for State Housing to continue its programs in future years.

⁶ Or other identifying information in the event the name of the project is not yet public.

2022 South Carolina State Ceiling Allocation Plan

These reports will be utilized in 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 allocation as year-end carryforward.

These reports will also be utilized in development of the 2023 State Ceiling Allocation Plan. The State Authority recognizes and acknowledges that specific project details may not be known in all cases for the 2023 calendar year; accordingly, specificity is expected to the extent known, accompanied by reasonable estimates of anticipated requests otherwise, properly described as such.

Pursuant to Section 1-11-520(E), State Housing, Commerce, and JEDA are directed to undertake outreach efforts each year designed to provide the State Authority with the best available information by the deadlines provided in the next year's state ceiling allocation plan.

All issuing authorities must provide the State Authority's Secretary with a year-end account of any unused remaining carryforward from prior years no later than January 2nd each year.

SECTION M. COMPETITIVE CRITERIA

Act 202 provides among other things that the allocation plan must 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 N. 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 jobs⁷ 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 Council must submit its proposed recommendations for the coming year to the State Authority no later than June 30 each 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.

⁷ Generally, maintenance of existing jobs will not meet this criterion.

2022 South Carolina State Ceiling Allocation Plan

For projects seeking either local or state discretionary incentives such as fee in lieu of tax arrangements, county industrial development bonds, job development credits and/or state grant funding, a definitive agreement with the Coordinating Council and/or the local government, as applicable, 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 provided that it contains minimum new permanent job and investment commitments by the entity seeking an allocation.

For projects that are not seeking local or 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.

With its recommendations, Commerce must submit proposed deadlines for the coming 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 evaluation, 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.

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 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 O. COMPETITIVE CRITERIA FOR MULTI-FAMILY HOUSING ALLOCATION

State Housing Finance and Development Authority (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.

2022 South Carolina State Ceiling Allocation Plan

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.

These criteria will be applied uniformly to all multi-family housing projects whether seeking current year ceiling allocation or issuance approval using carryforward. Housing must submit its proposed recommendations for the coming year to the State Authority no later than June 30th each year.

With its recommendations for 2023, Housing must submit proposed deadlines for 2023 by which those seeking state ceiling for Multi-family housing projects must submit their proposals to Housing in order for Housing to provide the State Authority with its final evaluation, 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.

In addition to the foregoing, Housing must 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 2022, State Housing must submit written confirmation of its Board's recommendations no later than September 30, 2022.

For the current year, the competitive criteria for Multi-family Housing projects recommended by Housing are adopted by the State Authority, attached as **Exhibit B**, and incorporated into this Plan by reference.

SECTION P. 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 Q. SUBMISSION REQUIREMENTS FOR AUTHORIZED REQUESTS

All submissions for allocation of state ceiling must be complete at the time of submission. The Secretary of the Authority is authorized not to place any submission on the agenda if the submission is found by Authority staff to be incomplete. 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 Authority for the issuance approval request.

2022 South Carolina State Ceiling Allocation Plan

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 the Jobs-Economic Development Authority 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 12-6-3795(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. Even if a project includes an irrevocable waiver of any claim for a state tax credit, 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).
4. If a request for issuance approval regards private activity bonds for a multi-family housing project, and is using prior-year carryforward previously allocated to State Housing 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. Even if a project includes an irrevocable waiver of any claim for a state tax credit, 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).
5. The petition submitted for each authorized request must include 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).
6. 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 Council for the amount of state ceiling proposed to be allocated to the project.
7. 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 the list of projects ranked by the State Housing and Finance Development Authority and must have received a definitive recommendation from State Housing for the amount of state ceiling proposed to be allocated to the project.

2022 South Carolina State Ceiling Allocation Plan

8. A request to take any of the following actions must be accompanied by a letter signed by the chief executive officer of the applicant 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 applicant is expected to attend the applicable Authority meeting.

9. 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 the chief executive officer of the applicant 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 applicant is expected to attend the applicable Authority meeting.

10. In the case of an industrial or economic development project, a petition requesting more than ten percent of the total state ceiling must be accompanied by a thorough and compelling statement of facts justifying such an extraordinary allocation of state ceiling to a single project. The petition must be accompanied by a statement of position by the Coordinating Council regarding the relative size of the request.

11. In the case of a request for any purpose other than for industrial or economic development, a petition requesting more than five percent of the total state ceiling must be accompanied by a thorough and compelling statement of facts justifying such an extraordinary allocation of state ceiling to a single project.

12. 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 Authority meeting, the Authority's Secretary is authorized not to place the item on the Authority's agenda.

The State Authority reserves its discretion to amend and supplement these procedures as circumstances dictate.

The State Authority and its members reserve the right to require additional information for any particular item.

SECTION R. 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

2022 South Carolina State Ceiling Allocation Plan

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 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.



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

August 3, 2022

Mr. Grant Gillespie
Executive Director
State Fiscal Accountability Authority
1200 Senate Street
Columbia, SC 29201

Dear Mr. Gillespie:

Please find attached the final version of the competitive scoring criteria required by Act 202 and included as an attachment to the 2022 State Ceiling Allocation Plan.

Sincerely,

A handwritten signature in blue ink, appearing to read "Karen Blair Manning", with a long, sweeping flourish extending to the right.

Karen Blair Manning
Chief Legal Counsel

KBM

Attachment

Cc: Harry M. Lightsey III
A. Daniel Young

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 project. 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 the 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 the 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



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

Bonita H. Shropshire
Executive Director

Writer's Direct Numbers

(803) 896-8771

E-mail: Tracey.Easton@schousing.com

August 2, 2022

Delbert H. Singleton, Jr., Esquire
Secretary
State Fiscal Accountability Authority
1200 Senate Street
Wade Hampton Building, Suite 600
Columbia, South Carolina 29201

Re: 2022 Proposed State Ceiling Criteria

Dear Delbert:

I enclose SC Housing's 2022 Proposed State Ceiling Criteria and a sample ranking spreadsheet.

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.

Thank you for your assistance.

Very truly yours,

A handwritten signature in blue ink that reads "Tracey C. Easton". The signature is written in a cursive, flowing style.

Tracey C. Easton
General Counsel

Exhibit B - 2022 & 2023 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

Bonita H. Shropshire
Executive Director

This proposed criteria for State Ceiling allocations is presented solely for consideration by the Joint Bond Review Committee and State Fiscal Accountability Authority and is not intended to provide official or final guidance to participants in the program. Once approved by the JBRC and SFAA, final guidance will be published on the website of the South Carolina State Housing Finance and Development Authority (SC Housing).

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.

In the event the ranking process results in a tie in the overall ranking for bottom-ranked projects such that an insufficient amount of limited state ceiling is available to support an allocation for the tied projects, the following tie-breaker criteria will be applied in substance and in order of priority:

1. Allocation of State Housing Tax Credit to the project that could be accommodated within the limitation in the event the other project could not
2. Allocation to a project located within a designated rural area if the other project is not
3. Allocation determined solely by the relationship of total state resources to the number of tenants the project is expected to serve, as a determinant of greatest public benefit

[illegible]

Columns AD through AW: development projects are ranked by relative score in Columns A through WA; a development's rank is totaled across all four ranking categories.

South Carolina General Assembly
124th Session, 2021-2022

A202, R228, H5075

STATUS INFORMATION

General Bill

Sponsors: Reps. G.M. Smith and West

Document Path: I:\council\bill\nbd\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

Date	Body	Action Description with journal page number
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

5/31/2022	Effective date	See Act for Effective Date
5/31/2022	Act No.	202

View the latest [legislative information](#) at the website

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](#)
[4/20/2022](#)
[4/21/2022](#)
[4/25/2022](#)
[5/4/2022](#)
[5/5/2022](#)

(A202, 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.

AGENCY: Executive Director

SUBJECT: 2022 Ceiling Allocations

The state ceiling on the issuance of private activity bonds for 2022 is \$570,977,550. The current balance of unused state ceiling for 2022 remains \$570,977,550.

The Jobs-Economic Development Authority (JEDA) is requesting a state ceiling allocation of \$399,684,285 to issue tax exempt bonds to finance a portion of the costs for American Titanium Works, LLC (ATW) to plan, design, construct, and equip a titanium reprocessing facility in Laurens County, South Carolina.

As required by Section Q (6) of the 2022 State Ceiling Allocation Plan, the Department of Commerce has made a definitive recommendation for JEDA's ceiling allocation request.

JEDA's request constitutes 70% of the current year's total state ceiling. Section 1-11-520(D) provides that a request for state ceiling regarding an industrial or economic development project may not exceed 10% of the current year's total state ceiling unless the State Fiscal Accountability Authority approves the request "following justification and substantial findings of significance." Pursuant to Section Q(10) of the 2022 State Ceiling Allocation Plan, a petition requesting more than 10% of the total state ceiling must be "accompanied by a thorough and compelling statement of facts justifying such an extraordinary allocation of state ceiling to a single project."

If the Authority approves JEDA's request, the balance of unused state ceiling will be \$171,293,265.

BOARD ACTION REQUESTED:

1. In accord with Section 1-11-520(D), determine that proper justification has been provided and find that the project is of such substantial significance as to warrant an allocation of state ceiling exceeding 10% of the total state ceiling for 2022.
2. Upon the recommendation of the Department of Commerce, grant tentative ceiling allocation in the amount of \$399,684,285 from the Industrial and Economic Development category to JEDA for ATW's proposed titanium reprocessing facility in Laurens County, South Carolina.

ATTACHMENTS:

Musser 10/26/2022 letter with attachments



Pope Flynn, LLC
170 Meeting Street, Suite 510
Post Office Box 70 (29402)
Charleston, SC 29401
MAIN 843.790.9570
FAX 803.354.4899
www.popeflynn.com

October 26, 2022

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

Re: Not Exceeding \$400,000,000 South Carolina Jobs-Economic Development Authority Industrial Revenue Bonds (ATW South Carolina Project), Series 2022 (Tax-Exempt)

Dear Delbert:

On behalf of American Titanium Works LLC, 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 November 9, 2022, we respectfully enclose the following for consideration by the Authority:

1. A Bond Transmittal Form, to include South Carolina Jobs-Economic Development Authority's ("JEDA") petition to the Authority, JEDA's Inducement Resolution adopted February 15, 2022, the South Carolina Coordinating Council for Economic Development's Resolution adopted March 3, 2022, and a form of bond counsel opinion;
2. Private Participant Disclosure-Legal Entity Forms, with cover sheet, for American Titanium Works LLC ("ATW"), Retech Systems LLC, H and M Construction Co., Inc. and SMS group GmbH; and
3. A statement of facts prepared by ATW (the "Statement") responsive to Section Q 10 of the 2022 South Carolina State Ceiling Allocation Plan (the "2022 Allocation Plan").

We would note for you that the enclosed Inducement Resolution reflects a not exceeding principal amount of \$400,000,000 for the Bonds, and the request for state ceiling allocation is in the amount of \$399,684,285. The lesser request for state ceiling allocation reflects our understanding of the amount of state ceiling which may be available for the project after giving effect to the reassignment of state ceiling under Section 1-11-530(c) Code of Laws of South Carolina 1976, as amended, and the 2022 Allocation Plan.

The subject request is in excess of the limits for industrial development projects established in the 2022 Allocation Plan, and under the 2022 Allocation Plan requires justification and substantial findings of significance. We would refer you to the findings of the South Carolina Department of Commerce and the South Carolina Coordinating Council for Economic Development for their evaluations and recommendations relating to the Bonds responsive to Act 202 of 2022 and the 2022 Allocation Plan. We would also note that the request would require the reassignment of unused 2022 State ceiling pursuant to the 2022 Allocation Plan and Section 1-11-530(c), Code of Laws of South Carolina, as amended.

We ask that the Statement and the private participant disclosure portions of the application be held confidential to the extent permitted. Please let us know should you require anything further or if you have any questions regarding the enclosed. By this letter, I confirm that the Bonds will be issued to provide solid waste disposal facilities under Section 142(a)(6) of the Internal Revenue Code of 1986, as amended, and will constitute as "privately owned solid waste disposal facilities" under IRS Publication 4078 (Rev. 9-2019).

Best regards,

Bill

William M. Musser

cc: Harry Huntley
Teresa McBride

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: 10/26/2022

**Submitted for SFAA
Meeting on:** 11/9/2022

FROM: William M. Musser, Esquire

Pope Flynn, LLC
P.O. Box 11509
Columbia, SC 29211

RE: N/E \$399,684,285 South Carolina Jobs-Economic Development Authority Industrial Revenue Bonds (ATW South Carolina Project) (Tax-Exempt)

Project Name: ATW South Carolina 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 _____ 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: William M. Musser
Typed Name of Bond Counsel

By: William M. Musser
Signature

STATE OF SOUTH CAROLINA)
)
RICHLAND COUNTY)
_____)
)
TO THE STATE FISCAL)
)
ACCOUNTABILITY AUTHORITY)
)
OF SOUTH CAROLINA)

PETITION OF SOUTH CAROLINA
JOBS-ECONOMIC DEVELOPMENT
AUTHORITY

This Petition of the South Carolina Jobs-Economic Development Authority (the "Authority"), pursuant to Section 1-11-530 of the Code of Laws of South Carolina 1976, as amended ("Code Section 1-11-530"), respectfully shows:

1. Code Section 1-11-530, among other matters, authorizes the State Fiscal Accountability Authority ("SFAA") to allocate the State of South Carolina's ("State") ceiling under Section 146 of the Internal Revenue Code of 1986, as amended, on the issuance of private activity bonds in response to authorized requests from issuing authorities.

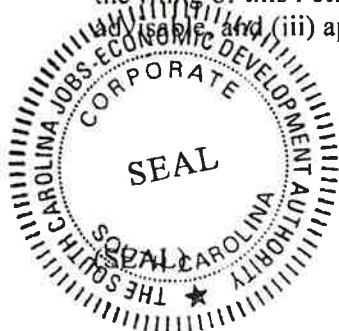
2. Each State ceiling allocation made by the SFAA (unless eligible and approved for carry-forward election) is valid only for the calendar year in which the State ceiling allocation is made.

3. The Authority has agreed to assist American Titanium Works LLC, a Delaware limited liability company, and its related or affiliated entities (collectively, the "Borrower") by issuing not exceeding \$399,684,285 aggregate principal amount of its Industrial Revenue Bonds (ATW South Carolina Project) in one or more series (the "Bonds") to (i) finance a portion of the costs to plan, design, construct, and equip a titanium reprocessing facility (the "Project") to be located in Laurens County, South Carolina (the "County"), including capitalizing interest on the Bonds and funding of required reserves, if any, and (ii) pay certain costs of issuance of the Bonds (collectively, (i) and (ii) is the "Undertaking"). The South Carolina Coordinating Council for Economic Development approved the sale of the Bonds at its meeting on March 3, 2022, pursuant to Section 41-43-110 of the Code of Laws of South Carolina 1976, as amended.

4. The Project is expected to be solid waste disposal facilities as described under Section 142 of the Internal Revenue Code of 1986, as amended.

5. The Bonds to be issued for the Project would require an allocation of not exceeding \$399,684,285 of the State ceiling under Section 146 of the Internal Revenue Code of 1986, as amended. The Bonds constitute all of the private activity bond financing contemplated for the Project as of the date of this Petition.

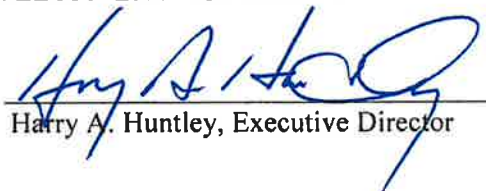
Upon the basis of the foregoing, the Authority respectfully prays that the SFAA (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such review as it deems appropriate, and (iii) approve a State ceiling allocation for the Bonds of \$399,684,285.



Respectfully submitted,

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

By:


Harry A. Huntley, Executive Director

Dated: September 14, 2022

A RESOLUTION OF THE SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$400,000,000 AGGREGATE PRINCIPAL AMOUNT REVENUE BONDS (ATW SOUTH CAROLINA PROJECT) IN ONE OR MORE SERIES, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 of the Code of Laws of South Carolina 1976, as amended (the "Act"), requested approval by the South Carolina Coordinating Council for Economic Development of the issuance by the Authority pursuant to the Act of its Industrial Revenue Bonds (ATW South Carolina Project), in one or more series, in the aggregate principal amount of not exceeding \$400,000,000 (the "Bonds") through private or public sale, as the Authority may determine to be most advantageous; and

WHEREAS, the Authority represents to the South Carolina Coordinating Council for Economic Development that the Bonds will be sold in a manner acceptable to the Authority.

NOW, THEREFORE, BE IT RESOLVED, by the South Carolina Coordinating Council for Economic Development (the "Coordinating Council"), as follows:

Section 1. It is hereby found, determined and declared by the Coordinating Council that: the Petition filed by the Authority contains all matters required by law and the rules of the Coordinating Council to be set forth therein, and that in consequence thereof the jurisdiction of the Coordinating Council has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds, in one or more series, through public or private sale be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

Dated: March 3, 2022

COORDINATING COUNCIL FOR
ECONOMIC DEVELOPMENT


Alan D. Young, Executive Director

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY AND AMERICAN TITANIUM WORKS LLC, WHEREBY UNDER CERTAIN CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY WILL ISSUE NOT EXCEEDING \$400,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS REVENUE BONDS, IN ONE OR MORE SERIES, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, AND AUTHORIZING APPLICATION TO THE SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT FOR APPROVAL OF THE ISSUANCE OF SUCH BONDS AND TO THE STATE FISCAL ACCOUNTABILITY AUTHORITY FOR VOLUME ALLOCATION FOR THE BENEFIT OF THE BONDS.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority"), acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended (the "Act"), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina (the "State") in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State; and

WHEREAS, the Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, as defined in the Act to include notes, and refunding bonds or notes, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues; and

WHEREAS, American Titanium Works LLC, a Delaware limited liability company (including one or more of its related or affiliated entities, the "Borrower"), has applied to the Authority to issue not exceeding \$400,000,000 aggregate principal amount of its Industrial Revenue Bonds (ATW South Carolina Project) in one or more series (the "Bonds") to (i) finance a portion of the costs to plan, design, construct, and equip a titanium reprocessing facility (the "Project") to be located in Laurens County, South Carolina (the "County"), including capitalizing interest on the Bonds and funding of required reserves, if any, and (ii) pay certain costs of issuance of the Bonds (collectively, (i) and (ii) is the "Undertaking"); and

WHEREAS, it is in the public interest, for the public benefit and in furtherance of the public purposes of the Authority that its Board of Directors provide preliminary approval of the issuance of the Bonds for the aforesaid purposes; and

WHEREAS, it is deemed advisable by the Authority to file with the South Carolina Coordinating Council for Economic Development (the "Coordinating Council"), in compliance with

Section 41-43-110 of the Act, the Petition of the Authority requesting approval by the Coordinating Council for the issuance of the Bonds through a private or public sale pursuant to the Act; and

WHEREAS, it is deemed advisable by the Authority to file with the State Fiscal Accountability Authority ("SFAA"), in compliance with Section 1-11-530 of the Code of Laws of South Carolina 1976, as amended, a petition of the Authority requesting not exceeding \$400,000,000 of the State ceiling be allocated by the SFAA to the Bonds and that such allocation be approved for a carry-forward election.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority (the "Board") as follows:

Section 1. It is hereby found, determined, and declared as follows:

(a) The Borrower is a responsible party and the Project is to be located in the County.

(b) The Project will constitute an integral part of a "business enterprise," as said term is referred to in Section 41-43-160 of the Act, and the issuance of the Bonds in the aggregate principal amount of not exceeding \$400,000,000 to defray the cost of the Project will serve the purposes and in all respects conform to the provisions and requirements of the Act.

(c) It is anticipated that the Project will result in the creation of permanent employment for approximately 150 people within 12 months and 300 people within 24 months of completion of the Project, 1,500 indirect jobs within 12 months and 1,500 indirect jobs within 24 months, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such activity not otherwise provided locally. The number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(d) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Undertaking.

(e) The size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular, has been and is reasonably expected to result therefrom.

Section 2. Subject to such approval by the Coordinating Council, and such other approvals as may be required by law, the Board preliminarily approves the issuance and sale of the Bonds, in one or more series, in the aggregate principal amount of not exceeding \$400,000,000 for the purpose of providing financing to the Borrower to defray the costs of the Undertaking.

Section 3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be mutually agreed upon by the Authority, the Borrower and the purchaser of the Bonds, and shall be subject to completion of proceedings for issuance, sale and delivery of the Bonds satisfactory to the Authority. The provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, and redemption provisions, if any, of the Bonds, other details of any trust indenture or loan agreement relating to the Bonds, and findings required by the Act shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper (taking into account such

factors as the type of program involved, the principal amount of the Bonds, and the number and type of jobs involved), and the public interest shall be adequately protected by the terms thereof.

Section 4. The Executive Director of the Authority is hereby authorized and directed to execute the Inducement Agreement in the form attached hereto as Exhibit A (with such changes as shall have been approved by counsel to the Authority), in the name and on behalf of the Authority and is hereby further authorized and directed to deliver said executed Inducement Agreement to the Borrower.

Section 5. It is the intention of the Authority that this resolution shall constitute 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.

Section 6. The Bonds shall never constitute an indebtedness of the Authority or the State within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Authority or the State or a charge against the general credit of the Authority or the State or the taxing powers of the State.

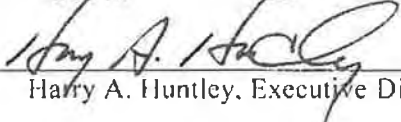
Section 7. There shall be and is hereby authorized and directed the submission on behalf of the Authority of (i) a Petition (the "Coordinating Council Petition") in the form attached hereto as Exhibit B (with such changes as shall have been approved by counsel to the Authority), requesting approval by the Coordinating Council (pursuant to the provisions of Section 41-43-110 of the Act) of the issuance of the Bonds through public or private sale, and (ii) a Petition (together with the Coordinating Council Petition, the "Petitions") in the form attached hereto as Exhibit C (with such changes as shall have been approved by counsel to the Authority) requesting the SFAA allocate not exceeding \$400,000,000 of the State ceiling under Section 146 of the Internal Revenue Code of 1986, as amended, to the Bonds and that the SFAA make a carry-forward election with respect to such allocation.

Section 8. The Executive Director of the Authority shall be and is hereby authorized and directed to execute the Petitions in the name and on behalf of the Authority, and the Executive Director of the Authority shall be and is hereby authorized and directed to submit executed copies of this resolution to the Coordinating Council and the SFAA.

Section 9. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved: February 15, 2022.

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY


Harry A. Huntley, Executive Director

INDUCEMENT AGREEMENT

THIS INDUCEMENT AGREEMENT made and entered into by and between South Carolina Jobs-Economic Development Authority, a public body corporate and politic and an agency of the State of South Carolina (the "Authority"), and American Titanium Works LLC, a Delaware limited liability company, and its related or affiliated entities (collectively, the "Borrower").

W I T N E S S E T H

ARTICLE I
RECITATION OF FACTS

As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Agreement, the following statements of fact are herewith recited:

Section 1.01. The Authority, acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended (the "Act"), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act in order to promote and develop the business and economic welfare of the State of South Carolina (the "State") and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State and in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State.

Section 1.02. The Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues in order to provide funds for any program authorized by the Act.

Section 1.03. The Borrower has applied to the Authority to issue not exceeding \$400,000,000 aggregate principal amount of its Industrial Revenue Bonds (ATW South Carolina Project) in one or more series (the "Bonds") to (i) finance a portion of the costs to plan, design, construct, and equip a titanium reprocessing facility (the "Project") to be located in Laurens County, South Carolina (the "County"), including capitalizing interest on the Bonds and funding of required reserves, if any, and (ii) pay certain costs of issuance of the Bonds (collectively, (i) and (ii) is the "Undertaking"); and

Section 1.04. (a) The Borrower is a responsible party and the Project is to be located in the County.

(b) It is anticipated that the Project will result in the creation of permanent employment for approximately 150 people within 12 months and 300 people within 24 months of completion of the Project, 1,500 indirect jobs within 12 months and 1,500 indirect jobs within 24 months, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such activity not otherwise provided locally. The number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The Project will constitute an integral part of a "business enterprise," as said term is referred to in Section 41-43-160 of the Act, and the issuance of the Bonds in the aggregate principal amount of not exceeding \$400,000,000 to defray the cost of the Undertaking will serve the purposes and in all respects conform to the provisions and requirements of the Act.

(d) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Undertaking.

(e) The size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular, has been and is reasonably expected to result therefrom.

Section 1.06. The Authority has given due consideration to all the proposals and requests of the Borrower and has agreed to endeavor to effect the issuance of the Bonds at the time and on the terms and conditions hereafter set forth.

ARTICLE II UNDERTAKING ON THE PART OF THE AUTHORITY

The Authority agrees as follows:

Section 2.01. The Authority will, subject to such approval by the South Carolina Coordinating Council for Economic Development ("Coordinating Council"), and subject to the limitations set forth herein, authorize the issuance of the Bonds, at such time as the Borrower may request the Authority to do so.

Section 2.02. The Authority will permit the Borrower to arrange for the sale of the Bonds to defray the costs of the Project as aforesaid, and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds may be applied to the payment of the cost of the Bonds, as determined under the Act, including, without limitation, the expenses incurred in connection with the issuance and sale of the Bonds, the repayment of any funds, advances or loans incurred by the Borrower for such purposes, the funding of requested reserves, and the provision of funds for capitalized interest.

Section 2.04. Prior to issuing the Bonds, the Authority may enter into a loan agreement with the Borrower and a trust indenture or other security agreement with the trustee (to be requested by the Borrower and approved by the Authority and the State Treasurer) or with the purchasers of the Bonds, pursuant to which the Bonds will be secured and issued. Such documents shall be substantially in the forms used in connection with the issuance of other South Carolina revenue bonds and shall constitute a lien on the revenues derived by the Authority from the Borrower with respect to the Project to secure the payment of the Bonds. Provisions, terms and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity and redemption provisions, if any, of the Bonds, and other details of any loan agreement, trust indenture or other security agreement relating to the Bonds, shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper, taking into account such facts as type of program involved, the principal amount of the Bonds and the

number and type of jobs involved, and the public interest shall be adequately protected by the terms thereof.

Section 2.05. The Authority will perform such other acts and adopt such further proceedings as may be required faithfully to implement its undertaking and to consummate the proposed financing.

Section 2.06. The undertakings of the Authority hereunder are contingent upon the Authority continuing to evaluate the Project as desirable and beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware and upon the Borrower providing the Authority with such further evidence as may be satisfactory to the Authority as to compliance with all applicable statutes and regulations.

ARTICLE III UNDERTAKINGS ON THE PART OF THE BORROWER

Section 3.01. The Borrower agrees that the Authority will have no obligation to find a purchaser of the Bonds and acknowledges that the Authority's approval of this Agreement is preliminary and is conditioned upon the Authority continuing to evaluate the Project as desirable and beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware.

Section 3.02. The Borrower further agrees, if the issuance of the Bonds proceeds as contemplated, as follows:

(a) to acquire the Project;

(b) to enter into a loan agreement with the Authority, under the terms of which the Borrower will obligate itself to pay to the Authority sums sufficient to pay the principal of and interest and premium, if any, on the Bonds, as and when the same become due and payable;

(c) to the extent permitted by law, to hold the Authority and the Coordinating Council harmless from all pecuniary liability and to reimburse them for all expenses to which they might be put in the fulfillment of their obligations under this Agreement;

(d) to perform such further acts and adopt such further proceedings as may be required faithfully to implement its undertakings and to consummate the proposed financing.

ARTICLE IV GENERAL PROVISIONS

Section 4.01. All commitments of the Authority under Article II hereof are subject to all of the provisions of the Act and regulations of the Authority pursuant thereto and the condition that nothing contained in this Agreement shall constitute nor give rise to a pecuniary liability of the Authority or a charge against its general credit.

Section 4.02. All commitments of the Authority and the Borrower hereunder with respect to the Undertaking are subject to the condition that the Authority and the Borrower do agree on

mutually acceptable terms and conditions of all documents, the execution and delivery of which are contemplated by the provisions hereof.

Section 4.03. The parties understand that the Borrower or the Authority may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

Section 4.04. It is the intention of the parties hereto that this Agreement 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.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Agreement on the respective dates indicated below.

(SEAL) SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

By: _____
Harry A. Huntley, Executive Director

Dated: February 15, 2022

AMERICAN TITANIUM WORKS LLC

By: _____

Its: _____

Dated: February 15, 2022

Inducement Agreement by and between South Carolina Jobs-Economic
Development Authority and American Titanium Works LLC
[Signature Page]

STATE OF SOUTH CAROLINA)	
)	
RICHLAND COUNTY)	
)	
)	
TO THE SOUTH CAROLINA)	PETITION OF SOUTH CAROLINA
)	JOBS-ECONOMIC DEVELOPMENT
COORDINATING COUNCIL)	AUTHORITY
)	
FOR ECONOMIC DEVELOPMENT)	

This Petition of the South Carolina Jobs-Economic Development Authority (the "Authority"), pursuant to Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended (the "Act"), and specifically Section 41-43-110 thereof, respectfully shows:

1. The Act, among other things, empowers the Authority: (i) to utilize any of its program funds to establish loan programs to be utilized to acquire, by construction or purchase, land and buildings or other improvements thereon, machinery, equipment, office furnishings or other depreciable assets, or for research and design costs, legal and accounting fees, or other expenses in connection with the acquisition or construction thereof and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina ("State") and act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State; and (ii) subject to the approval of the South Carolina Coordinating Council for Economic Development (the "Coordinating Council") of the issuance of its bonds through public or private sale pursuant to Section 41-43-110 of the Act, to issue revenue bonds in order to provide funds for any program authorized by the Act, and to secure the payment of such bonds, all as provided in the Act.

2. The Authority has agreed to assist American Titanium Works LLC, a Delaware limited liability company, and its related or affiliated entities (collectively, the "Borrower"), by issuing not exceeding \$400,000,000 aggregate principal amount of its Industrial Revenue Bonds (ATW South Carolina Project) in one or more series (the "Bonds") to (i) finance a portion of the costs to plan, design, construct, and equip a titanium reprocessing facility (the "Project") to be located in Laurens County, South Carolina (the "County"), including capitalizing interest on the Bonds and funding of required reserves, if any, and (ii) pay certain costs of issuance of the Bonds (collectively, (i) and (ii) is the "Undertaking").

3. The Authority has been advised by the Borrower that the estimated cost of the Undertaking (including costs of issuance of the Bonds and any required reserves) will be approximately \$400,000,000 or less and the Borrower has requested the Authority to execute and deliver the Bonds in one or more series, in the aggregate principal amount of not exceeding \$400,000,000 to defray a portion of such costs.

4. The Bonds will be sold to, or placed or underwritten by, a financial institution acceptable to the Authority pursuant to a negotiated private sale or sales, which may include a public or private reoffering thereafter.

5. The Authority hereby finds that:

(a) The Borrower is a responsible party and the Project will be located in the County.

(b) It is anticipated that the Project will result in the creation of permanent employment for approximately 150 people within 12 months and 300 people within 24 months of completion of the Project, 1,500 indirect jobs within 12 months and 1,500 indirect jobs within 24 months, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such activity not otherwise provided locally. The number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The Project will constitute an integral part of a "business enterprise," as said term is referred to in Section 41-43-160 of the Act, and the issuance of the Bonds in the aggregate principal amount of not exceeding \$400,000,000 to finance the Undertaking will serve the purposes and in all respects conform to the provisions and requirements of the Act.

(d) The size and scope of the Project are such that a definite benefit to the economy of the State, and the Counties in particular, has been and is reasonably expected to result therefrom.

(e) The principal amount of the Bonds bears a reasonable relationship to the amount of funds of the Borrower committed to the Project.

6. Prior to issuance of the Bonds, the Authority will, as part of its proceedings:

(a) Hold a public hearing in accordance with the requirements of the Act in connection with the issuance of the Bonds;

(b) Make findings that the terms of the agreements to be entered into in connection with the Undertaking are reasonable and proper as to the adequacy of protection for the public interest provided by such terms;

(c) Negotiate the terms of such agreements to the extent necessary to conclude that neither the financing of the Undertaking, the Bonds proposed to be issued by the Authority to defray the cost of the Undertaking, nor any documents or agreements entered into by the Authority in connection therewith will constitute or give rise to a pecuniary liability of the Authority or the State or a charge against the general credit or taxing power of either, and only program funds (as defined in the Act) will be made available to finance the Undertaking;

(d) Undertake such review as is necessary to conclude that the Borrower is an organization with established credit and is a responsible party; and

(e) Undertake such review as is necessary to conclude that the issuance of the Bonds by the Authority in the final principal amount requested by the Borrower will be required to defray the cost of financing the Undertaking, and such principal amount bears a reasonable relationship to the amount of private funds also committed to the Undertaking.

Upon the basis of the foregoing, the Authority respectfully prays that the Coordinating Council (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such review as it deems advisable, and (iii) approve the issuance of the Bonds by the Authority through a public or private sale pursuant to the Act to defray the costs of financing the Undertaking (including changes in any details of said financing as finally consummated which do not materially affect the undertaking of the Authority).

Respectfully submitted,

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Harry A. Huntley, Executive Director

Dated: February 15, 2022

STATE OF SOUTH CAROLINA)	
)	
RICHLAND COUNTY)	
_____)	
)	
TO THE STATE FISCAL)	PETITION OF SOUTH CAROLINA
)	JOBS-ECONOMIC DEVELOPMENT
ACCOUNTABILITY AUTHORITY)	AUTHORITY
)	
OF SOUTH CAROLINA)	

This Petition of the South Carolina Jobs-Economic Development Authority (the "Authority"), pursuant to Section 1-11-530 of the Code of Laws of South Carolina 1976, as amended ("Code Section 1-11-530"), respectfully shows:

1. Code Section 1-11-530, among other matters, authorizes the State Fiscal Accountability Authority ("SFAA") to allocate the State of South Carolina's ("State") ceiling under Section 146 of the Internal Revenue Code of 1986, as amended, on the issuance of private activity bonds in response to authorized requests from issuing authorities.

2. Each State ceiling allocation made by the SFAA (unless eligible and approved for carry-forward election) is valid only for the calendar year in which the State ceiling allocation is made.

3. The Authority has agreed to assist American Titanium Works LLC, a Delaware limited liability company, and its related or affiliated entities (collectively, the "Borrower") by issuing not exceeding \$400,000,000 aggregate principal amount of its Industrial Revenue Bonds (ATW South Carolina Project) in one or more series (the "Bonds") to (i) finance a portion of the costs to plan, design, construct, and equip a titanium reprocessing facility (the "Project") to be located in Laurens County, South Carolina (the "County"), including capitalizing interest on the Bonds and funding of required reserves, if any, and (ii) pay certain costs of issuance of the Bonds (collectively, (i) and (ii) is the "Undertaking"). The South Carolina Coordinating Council for Economic Development approved the sale of the Bonds at its meeting on March 3, 2022, pursuant to Section 41-43-110 of the Code of Laws of South Carolina 1976, as amended.

4. The Project is expected to be solid waste disposal facilities as described under Section 142 of the Internal Revenue Code of 1986, as amended.

5. The Bonds to be issued for the Project would require an allocation of not exceeding \$400,000,000 of the State ceiling under Section 146 of the Internal Revenue Code of 1986, as amended. The Bonds constitute all of the private activity bond financing contemplated for the Project as of the date of this Petition.

6. The Borrower and the Authority believe the Bonds will be marketed through a negotiated offering by the end of the calendar year based on information available as of the date of this Petition. However, because of potentially adverse market conditions during the remaining part of the month of December, it is possible that the issuance and sale of the Bonds may be delayed past the end of the calendar year. Therefore, the Authority desires the SFAA make a carry-forward election with respect to the allocation so the Borrower and the Authority have the benefit of the allocation past the

end of the calendar year should the issuance and sale of the Bonds be delayed due to market circumstances.

Upon the basis of the foregoing, the Authority respectfully prays that the SFAA (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such review as it deems advisable, and (iii) approve a State ceiling allocation for the Bonds of \$400,000,000.

Respectfully submitted,

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Harry A. Huntley, Executive Director

Dated: February 15, 2022



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 Jobs-Economic Development Authority
Columbia, South Carolina

American Titanium Works LLC
Chicago, Illinois

Re: \$_____ South Carolina Jobs-Economic Development Authority Industrial Revenue Bonds (ATW South Carolina Project), Series 2022

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the South Carolina Jobs-Economic Development Authority (the “**Issuer**”) of its \$_____ Industrial Revenue Bonds (ATW South Carolina Project), Series 2022 (the “**Bonds**”). The Bonds are issued by the Issuer pursuant to a bond resolution adopted by the Board of Directors of the Issuer on _____, 2022 (the “**Bond Resolution**”); an approving resolution adopted by the South Carolina Coordinating Council for Economic Development on March 3, 2022; a Trust Indenture dated as of _____ 1, 2022 (the “**Indenture**”), between the Issuer and _____, as trustee (the “**Trustee**”); and the Constitution and statutes of the State of South Carolina, including particularly Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended (the “**Enabling Act**”). The Issuer has entered into a Loan Agreement dated as of _____ 1, 2022 (the “**Loan Agreement**”), with American Titanium Works LLC (the “**Borrower**”), pursuant to which the proceeds of the Bonds have been loaned by the Issuer to the Borrower. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Indenture and the Loan Agreement.

Under the Indenture, the Issuer has pledged and assigned its rights in and to the Loan Agreement and the Revenues (except certain rights to indemnification, reimbursements, and administrative fees) as security for the Bonds. The Bonds are payable solely from the Revenues.

Regarding questions of fact material to our opinion, we have relied on the representations of the Issuer and the Borrower contained in the Indenture and the Loan Agreement, and in the certified proceedings and other certifications of public officials and others furnished to us, including certifications provided to us on behalf of the Borrower, without undertaking to verify the same by independent investigation.

We refer you to the Bonds, the Indenture and the Loan Agreement for a further description of the Bonds, the purposes for which the Bonds are issued, the uses of the proceeds from the sale of the Bonds and the security therefor. With respect to the power of the Borrower to enter into and perform its obligations under the Loan Agreement and the other documents to which it is a party, the due authorization, execution and delivery by the Borrower of the Loan Agreement and the other documents to which the Borrower is a party and the validity and enforceability thereof against the Borrower, we refer you to the opinion of Haynsworth Sinkler Boyd, P.A., counsel to the Borrower, of even date herewith.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Issuer is a validly existing public body corporate and politic and an agency of the State of South Carolina (the "**State**"), with power to adopt the Bond Resolution, perform its obligations under the Indenture and the Loan Agreement, and issue the Bonds.
2. The Indenture has been duly executed and delivered by the Issuer, and constitutes a valid and binding obligation of the Issuer enforceable against the Issuer.
3. The Indenture creates a valid lien on the Revenues, the other funds pledged by the Indenture as security for the Bonds, and the rights of the Issuer under the Loan Agreement (except certain rights to indemnification, reimbursements, and administrative fees) on a parity with other bonds (if any) issued or to be issued under the Indenture.
4. The Bonds have been duly authorized and executed by the Issuer, and are valid and binding limited obligations of the Issuer, payable solely from the revenues derived by the Issuer under the Loan Agreement and the other funds expressly pledged under the Indenture.
5. Interest on the Bonds (i) is excluded from gross income for federal income tax purposes, except for interest on any Bond for any period during which such Bond is held by a "substantial user" of the facilities financed by the Bonds, or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), 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 for tax years beginning after December 31, 2022.

Our opinion as to the exclusion of interest on the Bonds from gross income is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order for that interest to be, and continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date of issuance of the Bonds.

We express no opinion regarding any other federal tax consequences that may arise with respect to the Bonds.

6. Under existing law, the 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 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 Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of any offering or marketing materials with respect to the Bonds, or regarding the perfection or priority of the lien on the Trust Estate created under the Indenture (or any other document or instrument mentioned herein). Further, we express no opinion regarding tax consequences arising with respect to the 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



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

September 19, 2022

Mr. Grant Gillespie
Executive Director
State Fiscal Accountability Authority
1200 Senate Street
Columbia, SC 29201

Dear Mr. Gillespie:

On behalf of the South Carolina Department of Commerce ("Commerce") and in accordance with Act 202 and the 2022 South Carolina State Ceiling Allocation Plan (the "2022 Allocation Plan"), please accept this definitive recommendation that the State Fiscal Accountability Authority (the "Authority") grant the petition by American Titanium Works (ATW) for state ceiling allocation in the amount of \$399,684,285 to support a proposed economic development project in Laurens County, South Carolina. On September 1, 2022, the South Carolina Coordinating Council for Economic Development (the "Coordinating Council") voted in a public meeting to support this recommendation.¹

ATW proposes to establish a titanium integrated plate mill facility in Laurens County for the purposes of manufacturing aerospace and non-aerospace grade titanium. In connection with this manufacturing facility, ATW has entered into a Confidential Site Development and Incentive Agreement with Commerce and Laurens County (the "Incentive Agreement"), attached hereto as *Exhibit A*, that includes a commitment by ATW to create a minimum of 300 new, full-time jobs and invest a minimum of \$850 million, excluding public funds, over a six-year period with a further commitment to maintain the jobs for at least five-years.

As required by Act 202 and the 2022 Allocation Plan, Commerce has evaluated and scored ATW's authorized request for allocation in accordance with competitive criteria designed to achieve the highest value and greatest public benefit. These competitive criteria, Commerce's Summary of Procedures for Evaluating Requests, and ATW's actual score are attached hereto as *Exhibit B*. To further demonstrate the public benefit of the proposed project, Commerce also attaches the Economic Impact Analysis performed by the Coordinating Council as *Exhibit C*.

All state and local commitments are reflected in the Incentive Agreement, the Economic Impact Analysis or both. These commitments and other public costs are contingent upon ATW's securing financing that will enable the project to move forward. No public costs will be incurred unless and until the project moves forward and ATW's job and investment commitments become binding.

Commerce has been working with ATW on and off over the last 15 years to make this project a reality. My understanding is that the primary hurdle has been financing, which includes the state ceiling request

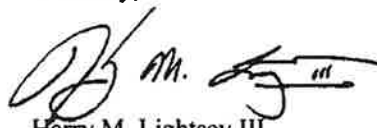
¹ The other known request by Mainstream Pine Products, LLC has been withdrawn.

as a critical component. In an effort to complete due diligence to evaluate the feasibility and competitiveness of the current proposal, Commerce has sought a significant amount of information from ATW since early summer. Some of that information has been provided, but other information, including updates to key contracts and to the company's business plan, is not yet available or is incomplete. We continue to receive information from the company, but as a practical matter, have not been able to complete verifiable due diligence.

Nevertheless, ATW has entered into the Incentive Agreement, a prerequisite to consideration of ATW's petition by the Authority, and the proposed project is most certainly a significant economic development opportunity for the State of South Carolina which finally appears poised to become reality provided that it is able to obtain the necessary financing. Arguably, the size of the proposed investment alone, which will provide undeniable benefits to Laurens County via real property fees and taxes, provides sufficient justification for the Authority to allocate such a significant percentage of available state ceiling allocation to the proposed project. ATW has also represented that it has a contract to supply titanium to Boeing, which has consolidated its 787 production to South Carolina and is one of our state's most important employers.

Accordingly, as Secretary of Commerce and as Chair of the Coordinating Council, I am recommending that the Authority grant ATW's petition for state ceiling allocation with the understanding that the Authority will take such steps as are necessary at its December 13, 2022 meeting to ensure reassignment of any unused 2022 ceiling allocation to 2023 carryforward for allocation to other eligible projects in the event ATW is unable to close its tax-exempt financing by year-end.

Sincerely,



Harry M. Lightsey III

HMLIII/km/vw

Cc: Harry A. Huntley, CPA, Executive Director, Jobs Economic Development Authority
William M. Musser, Esquire

**SOUTH CAROLINA
COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT
ENTERPRISE PROGRAM ECONOMIC IMPACT ANALYSIS**

**American Titanium Works, LLC
Laurens County
9/1/2022**

PROJECT DATA

ANNOUNCED CAPITAL INVESTMENT

Land	\$	-
Existing Building	\$	500,000,000
New Building	\$	-
Machinery & Equipment	\$	350,000,000
Total Investment	\$	850,000,000

NEW EMPLOYMENT/TOTAL PAYROLL

Employment	300
Annual Payroll	\$33,065,300
Average Salary	\$110,218
Average Hourly Wage	\$55.11

PROJECT MULTIPLIERS

Industry Code	331410-Nonferrous metal (except alumin
Job Multiplier	1.80
Investment -- Construction	2.22
Investment -- Machinery	1.40
Employment	2.80
% of Multiplier in South Carolina	60%
Average Annual Salary	\$43,187

EMPLOYMENT IMPACTS

Employment -- Direct	300
Employment -- Indirect	540
Total Employment Impact	840

COST/BENEFIT ANALYSIS

	PRESENT VALUE	
	CONSTRUCTION & 15-YEAR TOTAL	
	FIRST YEAR	
STATE COSTS		
Corporate Jobs Tax Credit	-	27,044,821
Multi-County Industrial Park	-	1,335,547
Job Development Credit (JDC)	1,653,265	13,945,839
Investment Tax Credit	5,250,000	5,250,000
Special Schools	900,000	900,000
CCED Grants	10,000,000	10,000,000
Increased State Education Costs	201,284	2,929,497
Property Tax Relief	-	-
Infrastructure Improvements	-	-
Total Public Costs	18,004,549	61,405,704
INCOME BENEFITS		
Total New Building (Direct & Indirect)	-	-
Total Machinery & Equipment (Direct & Indirect)	98,000,000	98,000,000
Total Payroll (Direct)	33,065,300	434,469,063
Total Payroll (Indirect)	23,322,276	306,448,381
State Revenues	9,108,867	76,540,949
Rural Infrastructure Fund	247,990	2,091,878
Total Income Benefits	163,744,433	917,550,271
PRESENT VALUES		
<i>Private</i>		
Total Value of Private Benefits	145,278,709	762,376,495
<i>State</i>		
Present Value of State Benefits	9,356,857	78,632,828
Present Value of State Costs	18,004,549	61,405,702
Total State Value	(8,647,692)	17,227,123
OVERALL NET BENEFIT	136,631,017	779,603,621
COST/BENEFIT RATIO		14:1

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 project. 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 the 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 the 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

ATW COMPETITIVE CRITERIA SCORE

Company Name	Designation	Score	Project Type	Score	Project Type	Score	Existing Jobs	Score	Existing Investment	Score	New Jobs	Score	Existing Investment	Score	EL Score	New Investment	ML Score	Avg. Salary	% of PCI	Salary	Score	Financing	Score	Financing	Score	Cost benefit	Score	Cost benefit	Score
ATW		3	2 mg	2		2	0	0	0	0	300	1	0	0	0	0 \$	850,000,000	4	\$ 110,000	288%	2 no	0	0	0	\$ 17,227,123	4	0	4	21

AGENCY: Executive Director

SUBJECT: Revenue Bonds (International Paper)

The required reviews on the following proposal to issue revenue bonds has been completed with satisfactory results. The project require approval under State law.

- a. Issuing Authority: Georgetown County, South Carolina Environmental Improvements Revenue Refunding Bonds (International Paper Company Project), Series 2022A
- Amount of Issue: N/E \$7,600,000 Georgetown County, South Carolina Environmental Improvements Revenue Refunding Bonds (International paper Company Project), Series 2022A
- Allocation Needed: \$0
- Name of Project: Georgetown Mill of International Paper Company located in Georgetown County, South Carolina
- Employment Impact: n/a (refunding project)
- Project Description: to refund Georgetown County, South Carolina's \$7,600,000 Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2016, the proceeds of which were used by the Company to refinance the costs of the acquisition, improvement, construction and installation of certain solid waster disposal, wastewater treatment and sewage facilities located at the Mill.
- Bond Counsel: John Semeniak, McGuire Woods L.L.P.

AUTHORITY ACTION REQUESTED:

Adopt a resolution approving the referenced proposals to refund Georgetown County, South Carolina's \$7,600,000 Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2022A.

ATTACHMENTS:

Bond Transmittal Form; Petition; NDIF; Resolutions



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 11/09/22

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: Georgetown County, South Carolina Series: 2022A
 Borrower (if not Issuer): International Paper Company
 Bond Caption: South Carolina Environmental Improvement Revenue Refunding Bonds, Series 2022A
 Bond Resolution Amount: \$ 7,600,000 Est. Production/Par Amt: \$ 7,600,000
 (* Used to calculate initial COI percentages; STO bond issues must use Par Amt *)
 Final Production/Par Amt: \$ 7,600,000

Submitted By:

ENTITY	McGuireWoods LLP, Bond Counsel
BY:	Alan C. Cason
ITS:	Partner
Tel:	410.659.4422
Email:	acason@mcguirewoods.com

Transaction Type/Method of Sale:

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

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

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: _____
 Project Address/Location: _____ Amount: \$ _____
 Project Type: _____ County: _____
 Projected Avg Interest Rate: _____ Final Maturity: 01/00/00

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)
2016	08/01/30	\$ 7,600,000	Variable	3.36%	N/A	N/A
		-			-	
		-			-	
Total		\$ 7,600,000	*****	*****	\$ -	

4. FINANCING WORKING GROUP

Financial Advisor:	<u>N/A</u>	Disclosure Counsel:	<u>N/A</u>
Bond Counsel:	<u>Burr Forman / McGuire Woods</u>	Issuer's Counsel:	<u>Burr & Forman LLP</u>
Underwriter:	<u>PNC Bank</u>	Trustee:	<u>Regions Bank</u>
Paying Agent:	<u>N/A</u>	Other:	<u>Clark Hill PLC (Underwriter Counsel)</u>

5. FINANCING/PROJECT DESCRIPTION

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

To refund Georgetown County, South Carolina's \$7,600,000 Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2016, the proceeds of which were used by International Paper Company (the "Company") to refinance the costs of the acquisition, improvement, construction and installation of certain solid waste disposal, wastewater treatment and sewage facilities located at the Georgetown Mill of the Company located in Georgetown County, South Carolina. The refunding is required because the bonds were subject to mandatory tender and the bank needs to convert the LIBOR-based interest rate to a SOFR-based interest rate. Such change, together with other modifications in the documents, will result in a reissuance under federal tax law, thus constituting a refunding. The company has selected PNC to be the lender on the 2022 refunding series of bonds.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	09/13/22	Adopted
JBRC Approval:	00/00/00	N/A
SFAA Approval:	11/09/22	Proposed

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

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

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
\$ 7,600,000	11/10/2022	Ref proceeds expended to defease 2016 at closing.
-	00/00/00	
-	00/00/00	
-	00/00/00	
-	00/00/00	
-	00/00/00	
-	00/00/00	
\$ 7,600,000		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 7,600,000	\$ -	Project Fund
(b) Premium/Accr. Int.	-	-	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	-	-	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	-	7,600,000	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	-	117,600	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	-	-	Accrued Interest
Type - IP COI Contribution	117,600	-	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	\$ 7,717,600	\$ 7,717,600	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				\$ -	\$ -	\$ -
Bond Counsel				75,000	-	75,000
Disclosure Counsel				-	-	-
Issuer's Counsel				15,000	-	15,000
Underwriter's Counsel	Clark Hill PLC			20,000	-	20,000
Transaction Counsel				-	-	-
Legal Expenses				-	-	-
				-	-	-
Rating Agency - S&P				-	-	-
Rating Agency - Moody's				-	-	-
Rating Agency - Fitch				-	-	-
Underwriter's Compensation	PNC Bank			7,600	-	7,600
Registrar / Paying Agent				-	-	-
Escrow Agent				-	-	-
Accountant				-	-	-
Verification Agent				-	-	-
Printing				-	-	-
Publishing				-	-	-
Advertising				-	-	-
Contingency				-	-	-
Issuer's Fee	SC JEDA / SC SHFDA			-	-	-
				\$ 117,600	\$ -	\$ 117,600

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

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

0.00%	0.00%
0.99%	0.00%
1.45%	0.00%
0.00%	0.00%

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

0.10%	0.00%
0.00%	0.00%
1.55%	0.00%

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: September 15, 2022

Submitted for SFAA Meeting on:
November 9, 2022

FROM: McGuireWoods LLP
500 East Pratt Street
Suite 1000
Baltimore, Maryland 21202
410.659.4400

RE: \$7,600,000 Georgetown County, South Carolina Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2022A

Project Issue Date: On or about November 21, 2022

Project Name: Georgetown Mill (the "Mill") of International Paper Company (the "Company") located in Georgetown County, South Carolina.

Project Description: To refund Georgetown County, South Carolina's \$7,600,000 Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2016, the proceeds of which were used by the Company to refinance the costs of the acquisition, improvement, construction and installation of certain solid waste disposal, wastewater treatment and sewage facilities located at the Mill

Employment as a result of the project: Not applicable – refunding project.

	YES	NO	AMOUNT
Ceiling Allocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$
Refunding Involved	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$7,600,000
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$

Documents enclosed:

(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
3 copies for certification and return to bond counsel
- F. ☒ Draft bond counsel opinion letter
- G. ☒ Processing Fee

Amount: \$3,000 **Check No:** 726456

Payor: McGuireWoods LLP

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

Bond Counsel: McGuireWoods LLP
Typed Name of Bond Counsel

By:  _____
Signature

STATE OF SOUTH CAROLINA)
)
COUNTY OF GEORGETOWN)
)
TO THE STATE FISCAL ACCOUNTABILITY)
)
AUTHORITY OF SOUTH CAROLINA)

P E T I T I O N

This Petition of the County Council of Georgetown County, South Carolina (the “County Council”) pursuant to Sections 4-29-10 et seq. of the Code of Laws of South Carolina 1976, as amended (the “Act”), respectfully shows:

1. The County Council is the governing body of Georgetown County, South Carolina (the “County”) as established by Section 4-9-310 of the Code of Laws of South Carolina 1976, as amended, and as such is the “governing board” of the County referred to in the Act.

2. The Act authorizes the County Council, subject to obtaining the approval and finding from the State Fiscal Accountability Authority of South Carolina (the “SFAA”), required by Section 4-29-140 of the Act, to enter into agreements with any industry to refinance the costs of certain solid waste disposal, wastewater treatment and sewage facilities (the “Project”), to enter into a trust indenture, financing agreement or similar agreement with such industry describing the terms and conditions of the payments to be made by the industry to the County or its assignee to meet the payments that shall become due on bonds issued pursuant to the Act, and to issue refunding revenue bonds for the purpose of refinancing the Project by refunding the County’s Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2016, currently outstanding in the aggregate principal amount of \$7,600,000 (the “Prior Bonds”).

3. The County Council has heretofore agreed with International Paper Company, a New York corporation (the “Company”), which owns and operates the Project located at the

Company's Georgetown, South Carolina Mill, to assist the Company by authorizing the Bonds (as hereinafter defined) to be issued from time to time or at one time, in one or more issues or series.

4. The County Council is advised by the Company that to refinance the Project by refunding the Prior Bonds it will be desirable that the County issue, from time to time or at one time, in one or more issues or series, its refunding revenue bonds in an aggregate principal amount not to exceed \$7,600,000 (the "Bonds"), the proceeds of which shall be loaned to the Company and used to refinance the Project by refunding the Prior Bonds, such Bonds maturing not later than forty (40) years from the date of issuance of such Bonds and such Bonds bearing interest at a fixed or variable rate.

5. For the reasons set forth above and hereinafter disclosed, the County Council has found, in addition to other findings herein set forth, as follows:

A. The refinancing of the Project by refunding the Prior Bonds promotes and subserves the purposes of the Act and benefits the general public welfare of the County, thereby aiding in the retention of employment in the County and the areas adjacent thereto;

B. The refinancing of the Project by refunding the Prior Bonds will give rise to no pecuniary liability of the County, nor will there be any charge against the County's general credit or taxing powers by reason of the issuance of the Bonds or the refinancing of the Project by refunding the Prior Bonds;

C. The documents to be entered into with respect to the Bonds will contain covenants obligating the Company each year (a) to pay the principal of and the interest on the Bonds and (b) to pay the cost of maintaining the Project in good repair and the cost of keeping it properly insured. In view of the well established credit of the Company, there is no need to establish and maintain any reserve funds in connection with the issuance of the Bonds;

D. The principal amount of Bonds required to refinance the Project by refunding the Prior Bonds is estimated to be, and will not exceed, \$7,600,000; and

E. The principal of, interest and premium, if any, on the Bonds shall be secured by a pledge of the revenues payable to the County pursuant to a trust indenture, a financing agreement or similar agreement entered into, and neither the Bonds nor any interest thereon shall ever constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation, nor shall the Bonds ever constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

6. Pursuant to Section 4-29-140 of the Act, the County Council sets forth the following information:

A. The Project to be refinanced by refunding the Prior Bonds consists of solid waste disposal, wastewater treatment and sewage facilities. The refinancing of the Project by refunding the Prior Bonds will result in the retention of employment in the County and will thus affect the economy of the County and areas adjacent thereto;

B. The financing agreement shall be in the form of a loan agreement (the "Loan Agreement"), by and between the County and the Company, or a loan and financing agreement, a financing agreement or similar agreement (the "Bank Financing Agreement" and, together with the Loan Agreement, the "Financing Agreement"), by and among the County, the Company and a lender to be selected by the Company and named therein, and therefore the Company shall not claim any exemption from property taxation other than those to which it might be entitled by reason of its ownership of the Project or operation of law or the application of previously approved understanding with the County;

C. The cost of refinancing the Project by refunding the Prior Bonds is estimated to be \$7,600,000;

D. The proposed Financing Agreement will provide, in general:

(a) To refinance the Project by refunding the Prior Bonds, the County will issue, from time to time or at one time, in one or more issues or series, the Bonds in an aggregate principal amount not to exceed \$7,600,000, which will be secured by a pledge of the payments to be made by the Company under the Financing Agreement pursuant to a security agreement, in the form of a trust indenture or similar agreement (the "Trust Indenture"), as authorized by the Act, between the County and a bank to be selected by the Company and named therein, as trustee (the "Trustee"), or in the form of the Bank Financing Agreement (as applicable);

(b) Proceeds derived from the sale of the Bonds will be loaned to the Company and will be used by the Company to refinance the Project by refunding the Prior Bonds;

(c) Under the terms of the Financing Agreement, the Company will pay as loan repayments the amounts necessary to meet the payments of principal and interest and premium, if any, on the Bonds as the same become due and payable, and to pay the cost of maintaining the Project in good repair and the cost of keeping it properly insured;

(d) The Company will indemnify the County against any costs in connection with the Bonds or the Project; and

(e) The Financing Agreement will not contain a provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing powers.

E. The proposed Trust Indenture or Bank Financing Agreement (as applicable) will be in conventional form and will prescribe the terms and conditions upon which the Bonds will be issued. The Trust Indenture or Bank Financing Agreement (as applicable) entered into will make provision for the issuance, from time to time, in one or more issues or series, of Bonds in the aggregate principal amount of up to \$7,600,000. The Trust Indenture or Bank Financing Agreement (as applicable) will provide for the payment and redemption of the Bonds, the establishment of a bond fund or bond funds in which the proceeds of the payments made by the Company pursuant to the Financing Agreement are placed and the use of said bond fund(s) for the payment of the Bonds. Neither the Trust Indenture nor Bank Financing Agreement (as applicable) will contain a provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing powers;

F. A proposed guaranty agreement (the "Guaranty Agreement") will be in conventional form and will provide for the unconditional guarantee by the Company directly to the Trustee for the benefit of the holders of outstanding Bonds of the principal of, interest and redemption premium, if any, on the Bonds as the same become due and payable. The County will not be a party to the Guaranty Agreement, and the Guaranty Agreement will contain no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing powers; and

G. The Company may make arrangements for retirement of the Bonds prior to maturity and, in such event, the Company may enter into separate agreements with banks or other financial institutions to provide for the early retirement and/or purchase and/or resale of the Bonds.

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Upon the basis of the foregoing, the County Council respectfully prays that the SFAA accept filing of this Petition, and that the SFAA as soon as practicable make such review as it deems advisable, and that if it finds that the issuance of the Bonds in order to refinance the Project by refunding the Prior Bonds is intended to promote the purposes of the Act and may reasonably be anticipated to effect such result, that it approve the proposed refinancing thereof by the County through the issuance of the Bonds pursuant to the Act, including changes in any details of said financing as finally consummated which do not materially affect the undertaking of the County, and give published notice of its approval in the manner set forth in Section 4-29-140 of the Act.

July 26, 2022

Respectfully submitted,

GEORGETOWN COUNTY, SOUTH CAROLINA

(SEAL)

By: _____

Chairman, County Council

ATTEST:

Clerk, County Council

STATE OF SOUTH CAROLINA

COUNTY OF GEORGETOWN

I, the undersigned Clerk to the County Council of Georgetown County, South Carolina (the "County Council"), DO HEREBY CERTIFY:

That the foregoing Petition is submitted pursuant to authority granted in a Resolution adopted by the County Council at a duly called and regularly held meeting at which all members attended and remained throughout on July 26, 2022.

That said Resolution is now in full force and effect and has not been modified, amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the said County this 26th day of July, 2022.

A handwritten signature in blue ink, consisting of stylized initials and a surname, positioned above a horizontal line.

Clerk, Georgetown County Council

(SEAL)

RESOLUTION NO. 22-21

REGARDING THE ISSUANCE BY GEORGETOWN COUNTY, SOUTH CAROLINA OF CERTAIN REFUNDING REVENUE BONDS DESCRIBED HEREIN IN ACCORDANCE WITH SECTIONS 4-29-10 ET SEQ. OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,600,000, THE PROCEEDS OF WHICH WILL BE USED TO REFINANCE THE COSTS OF CERTAIN SOLID WASTE DISPOSAL, WASTEWATER TREATMENT AND SEWAGE FACILITIES BY REFUNDING THE ISSUER'S ENVIRONMENTAL IMPROVEMENT REVENUE REFUNDING BONDS (INTERNATIONAL PAPER COMPANY PROJECT), SERIES 2016, CURRENTLY OUTSTANDING IN THE AGGREGATE PRINCIPAL AMOUNT OF \$7,600,000; AUTHORIZING AND RATIFYING THE PREPARATION AND FILING OF A PETITION WITH THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA IN ACCORDANCE WITH THE ACT, PURSUANT TO WHICH THE ISSUER WILL REQUEST THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA TO APPROVE THE UNDERTAKING OF THE ISSUER TO ISSUE THE BONDS; APPROVING AND AUTHORIZING THE EXECUTION OF AN ASSISTANCE AGREEMENT; AND AUTHORIZING THE PUBLICATION OF A NOTICE OF PUBLIC HEARING WITH RESPECT TO THE BONDS.

As and incident to the adoption of this Resolution, Georgetown County, South Carolina (the "Issuer) through its County Council (the "County Council") has made the following findings:

1. The Issuer is authorized by Sections 4-29-10 et seq. of the Code of Laws of South Carolina 1976, as amended (the "Act"), to issue refunding revenue bonds to refinance the Project (as hereinafter defined) by refunding the Prior Bonds (as hereinafter defined).

2. International Paper Company (the "Company") has requested the Issuer to assist the Company by entering into a certain assistance agreement (the "Assistance Agreement"), between the Issuer and the Company, pursuant to which the Issuer will agree to proceed with the authorization for the issuance, from time to time or at one time in one or more issues or series, of its refunding revenue bonds in an aggregate principal amount not to exceed \$7,600,000 (the "Bonds"), in order to refinance the costs of certain solid waste disposal, wastewater treatment and sewage facilities (the "Project") located at the Georgetown, South Carolina Mill of the Company by refunding the Issuer's Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2016, currently outstanding in the aggregate principal amount of

\$7,600,000 (the "Prior Bonds"). The Company has submitted to the Issuer the form of the Assistance Agreement that the Company has requested be approved and executed on behalf of the Issuer, and the County Council has agreed to comply with such request.

3. The Issuer has determined that the Project is necessary and that the issuance of the Bonds to refinance the Project by refunding the Prior Bonds will subserve the purposes of the Act, is anticipated to benefit the general public welfare of the Issuer by providing services, employment, recreation or other public benefits not otherwise provided locally, and will not give rise to any pecuniary liability of the Issuer, the County Council or a charge against their general credit or taxing power and that the Bonds shall be issued pursuant to, and shall be payable solely out of the moneys to be derived by the Issuer under a financing agreement in the form of a loan agreement or similar agreement (the "Loan Agreement"), to be entered into between the Issuer and the Company, or in the form of a financing agreement or similar agreement (the "Bank Financing Agreement" and, together with the Loan Agreement, the "Financing Agreement"), to be entered into among the Issuer, the Company and a lender to be selected by the Company and named therein.

4. The proceeds of the Bonds will be made available by the Issuer to the Company for the purpose of refinancing the Project by refunding the Prior Bonds, and the Company will submit to the Issuer the Financing Agreement under which the Company will agree to make payments in the amount necessary to provide the annual payments of principal of, premium, if any, and interest on the Bonds as the same become due and payable. The Financing Agreement will be in substantially such form as shall be approved by this County Council.

5. The Company further will obligate itself under the Financing Agreement to pay the cost of maintaining the Project in good repair and the cost of keeping it properly insured and to indemnify the Issuer against any costs in connection with the Project.

6. The Bonds will be issued pursuant to a security agreement in the form of a trust indenture or similar agreement (the "Indenture"), between the Issuer and a trustee to be selected by the Company and named therein, or the Bank Financing Agreement, prescribing the terms and conditions of the Bonds and the security therefor. The Indenture or the Bank Financing Agreement (as applicable) and the form of the Bonds will be in substantially such form as shall be approved by this County Council.

7. In view of the well-established credit of the Company, it is unnecessary to establish reserve funds for the payment of principal of, premium, if any, and interest on the Bonds.

8. The Company requests that the Issuer conduct a public hearing, following reasonable public notice, pursuant to the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the issuance of the Bonds and the refinancing of the Project by refunding the Prior Bonds.

NOW, THEREFORE, BE IT RESOLVED BY GEORGETOWN COUNTY THROUGH ITS COUNTY COUNCIL, IN MEETING DULY ASSEMBLED:

That the Issuer through its County Council finds that the facts set forth above are in all respects true and correct and on such basis determines to refinance the Project by refunding the Prior Bonds, and to declare its intention to issue the Bonds as aforesaid, conditioned upon the following prerequisites:

1. That approval of the State Fiscal Accountability Authority of South Carolina (the "SFAA") under Sections 4-29-20, 4-29-110 and 4-29-140 of the Act be obtained;

2. That the Issuer conduct a public hearing following the publication of notice of such hearing in accordance with Section 147(f) of the Code;

3. That the Issuer and the Company will agree as to the form and content of all agreements and documents necessary or convenient to the issuance of the Bonds; and

4. That the Bonds and all documents and proceedings in connection therewith comply in all respects with the prerequisites or conditions of the Act.

BE IT FURTHER RESOLVED:

That the Petition to the SFAA be prepared on behalf of the Issuer by the Company's representatives, and that the proper officers of the Issuer be, and they are hereby directed, to take all such future actions, including, without limitation, the preparation of documents and the advertisement and conducting of a public hearing with respect to the Bonds that is satisfactory to the Company, all as shall be necessary to carry out the purposes of this Resolution.

BE IT FURTHER RESOLVED:

That the Issuer through its County Council authorizes its counsel and McGuireWoods LLP to take such other actions as are necessary and appropriate to carry out the intent of this Resolution and the matters that are hereby authorized and that all actions taken by the Issuer or its counsel and McGuireWoods LLP prior to the date of this Resolution are hereby ratified and confirmed.

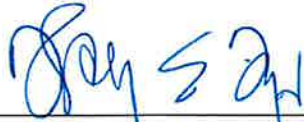
BE IT FURTHER RESOLVED:

That the execution and delivery of the Assistance Agreement by the proper officers of the County Council are hereby approved and authorized.

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ADOPTED THIS THE 26th day of July, 2022.

ATTEST:



Theresa E. Floyd
Clerk of County Council

GEORGETOWN COUNTY,
SOUTH CAROLINA



Louis R. Morant
Chairman of County Council

(SEAL)

STATE FISCAL ACCOUNTABILITY AUTHORITY
OF SOUTH CAROLINA

A RESOLUTION APPROVING THE UNDERTAKING OF
GEORGETOWN COUNTY, SOUTH CAROLINA
TO ISSUE ITS REFUNDING REVENUE BONDS IN THE AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$7,600,000
PURSUANT TO TITLE 4, CHAPTER 29,
CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED (THE "ACT")

WHEREAS, on July 26, 2022, the County Council (the "County Council") of Georgetown County, South Carolina (the "County") adopted a resolution (the "Inducement Resolution") declaring its intention to issue refunding revenue bonds from time to time or at one time, in one or more issues or series, in the aggregate principal amount not to exceed \$7,600,000 (the "Bonds"), the proceeds of which are to be applied to refund the County's Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2016, currently outstanding in the aggregate principal amount of \$7,600,000 (the "Prior Bonds"); and

WHEREAS, the proceeds of the Prior Bonds were used by International Paper Company, a New York corporation (the "Company"), to refinance the costs of the acquisition, construction, installation and improvement of certain solid waste disposal, wastewater treatment and sewage facilities (the "Project") located at the Georgetown, South Carolina Mill (the "Mill") of the Company in the County; and

WHEREAS, the Inducement Resolution authorized the filing of a Petition (the "Petition") with the State Fiscal Accountability Authority of South Carolina (the "SFAA") setting forth the facts required by Section 4-29-140 of the Act, and pursuant to the Inducement Resolution, the County Council caused the submission of the Petition to the SFAA; and

WHEREAS, the proposed undertaking consists of the issuance by the County, pursuant to the Act, of its refunding revenue bonds from time to time or at one time, in one or more issues or

series, in the aggregate principal amount not to exceed \$7,600,000, such Bonds maturing not later than forty (40) years from the date of issuance of such Bonds, the proceeds of which will be applied to refinance the Project by refunding the Prior Bonds; and

WHEREAS, the County, the Company and others propose to enter into documents in connection with the foregoing transaction, including, but not limited to, the trust indenture and loan agreement as more particularly described in the Petition (collectively, the "Documents"), pursuant to which, among other things, the Company will agree to make payments sufficient to provide for the payment of the principal and purchase price of, premium, if any, and interest on the Bonds; and

WHEREAS, the Documents will prescribe the terms and conditions upon which the Bonds will be issued and the terms by which the Company will agree to pay the principal and purchase price of, premium, if any, and interest on the Bonds; and

WHEREAS, a general summary of the terms of the Documents as set forth in the Petition has been considered by this Board.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA, IN MEETING DULY ASSEMBLED, THAT:

1. It has been found and determined by the SFAA:
 - A. That the SFAA has conducted such review as it deems advisable.
 - B. That the County Council has filed a proper Petition to the SFAA in accordance with the provisions of Section 4-29-140 of the Act setting forth a brief description of the refinancing of the Project and its anticipated effect upon the economy of the County and the areas adjacent thereto, a reasonable

estimate of the cost of refinancing the Project by refunding the Prior Bonds and a general summary of the Documents.

C. The issuance of the Bonds is intended to promote the purposes of the Act.

2. On the basis of the foregoing findings, the proposed undertaking of the County to (i) issue the Bonds; (ii) apply the proceeds thereof to refinance the Project by refunding the Prior Bonds; and (iii) enter into the Documents, all pursuant to the Act (including changes in any details of such undertaking as finally consummated which do not materially affect said undertaking), is hereby approved, and the County may proceed therewith.

3. In accordance with the provisions of Section 4-29-140 of the Act, notice of the action taken by the State Board in giving approval of the above described undertaking of the County (the "Notice") shall be published at least once by the SFAA in *The Georgetown Times*, which is a newspaper having general circulation in Georgetown County, South Carolina.

4. The Notice to be published shall be in substantially the form as set forth in Exhibit A attached to this Resolution.

5. This Resolution shall take effect immediately.

EXHIBIT A

NOTICE PURSUANT TO TITLE 4, CHAPTER 29
OF THE CODE OF LAWS OF SOUTH CAROLINA 1976,
AS AMENDED

NOTICE IS HEREBY GIVEN that following the filing of a Petition by the County Council (the "County Council") of Georgetown County, South Carolina (the "County") to the State Fiscal Accountability Authority of South Carolina (the "SFAA"), approval has been given by the SFAA to the following undertaking (including changes in any details of said undertaking as finally consummated which do not materially affect said undertaking): (a) the issuance from time to time or at one time, in one or more issues or series, by the County of its refunding revenue bonds in the aggregate principal amount not to exceed \$7,600,000 (the "Bonds") pursuant to Title 4, Chapter 29 of the Code of Laws of South Carolina 1976, as amended (the "Act"), the proceeds of which shall be applied by International Paper Company, a New York corporation (the "Company"), to refund the County's Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2016, currently outstanding in the aggregate principal amount of \$7,600,000 (the "Prior Bonds"). The proceeds of the Prior Bonds were used by the Company to refinance the costs of the acquisition, construction, installation and improvement of certain solid waste disposal, wastewater treatment and sewage facilities (the "Project") located at the Georgetown, South Carolina Mill of the Company; and (b) the execution and delivery of certain documents necessary and/or desirable in connection therewith. Such documents prescribe the terms and conditions under which the Bonds will be issued, describe how the proceeds therefrom shall be applied and provide for the refinancing of the Project by refunding the Prior Bonds. The Company shall agree to pay the principal and purchase price of, premium, if any, and interest on the Bonds under such documents.

NOTICE IS FURTHER GIVEN that any interested party may, at any time within twenty days after the date of publication of this Notice, but not afterwards, challenge the validity of the action of the State Board in approving such undertaking of the County by action de novo instituted in the Court of Common Pleas for Georgetown County.

STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA

BY: Delbert H. Singleton, Jr., Secretary

PUBLICATION DATE:

____ day of November, 2022

[Closing Date]

Georgetown County, South Carolina
c/o Georgetown County Council
716 Prince Street
Georgetown, South Carolina 29442

PNC Bank, National Association
615 3rd Avenue South
Nashville, Tennessee 37210

Regions Bank
150 Fourth Avenue North, Suite 1500
Nashville, Tennessee 37219

Re: \$7,600,000 Georgetown County, South Carolina Environmental Improvement
Revenue Refunding Bonds (International Paper Company Project), Series 2022A

Ladies and Gentlemen:

We have examined the validity of the Georgetown County, South Carolina Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2022A, dated November [], 2022 and issued in the aggregate principal amount of \$7,600,000 (the "Bonds").

The Bonds are being issued by Georgetown County, South Carolina (the "Issuer") to provide funds which will be made available to International Paper Company (the "Company"), pursuant to a Loan Agreement, dated as of November 1, 2022 (the "Agreement"), between the Issuer and the Company, to refinance the costs of the acquisition, improvement, construction and installation of certain solid waste disposal and sewage facilities (the "Project"), at the Company's Georgetown Mill located in Georgetown County, South Carolina, by refunding the Issuer's Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2016, currently outstanding in the aggregate principal amount of \$7,600,000. The Bonds are being issued pursuant to a Trust Indenture, dated as of November 1, 2022 (the "Indenture"), between the Issuer and Regions Bank, as trustee (the "Trustee"). The Company has executed and delivered to the Trustee for the benefit of the holders of the Bonds a Guaranty Agreement, dated as of November 1, 2022 (the "Guaranty"), whereby the Company unconditionally guarantees the full and prompt payment when due of the principal of, premium, if any, and interest on the Bonds. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms by the Indenture.

We have examined the appropriate provisions of the constitution and laws of the State of South Carolina (the "State"), certified copies of the proceedings of the Issuer, certificates and

resolutions of the Company, such other documents relating to the Issuer and such other instruments and proceedings authorizing and relating to the issuance of the Bonds as we deemed necessary to render this opinion. In rendering our opinion, we have relied upon (a) findings, determinations and adjudications contained in the certified proceedings relating to the Bonds, (b) representations and covenants of the Issuer, the Company and the Trustee contained in the Indenture and the Agreement, as applicable, and (c) other certifications and covenants of the Issuer, the Company and the Trustee as we deemed necessary to render this opinion, without undertaking to verify the same by independent investigation.

Based on the foregoing, it is our opinion that, under current law:

1. The Bonds have been lawfully authorized and issued by the Issuer under the Constitution and the laws of the State, including specifically the provisions of Title 4, Chapter 29 of the Code of Laws of South Carolina 1976, as amended (the "Act").

2. The Issuer has taken all action necessary to authorize the execution, authentication, issuance and delivery of the Bonds, the Bonds have been duly and validly authorized, authenticated, executed, issued and delivered in accordance with the Act and the Indenture and the Bonds constitute valid, legally binding limited obligations of the Issuer, entitled to the benefits and security provided under the Indenture, the principal of, premium, if any, and interest on which are payable solely from the revenues and receipts derived under the Agreement and the Guaranty.

3. The Indenture and the Agreement have each been duly authorized, executed and delivered by the Issuer and each is valid and legally binding upon the Issuer in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, moratorium or reorganization laws or equitable principles in force affecting the remedies for the enforcement of the rights and security provided for therein.

4. Except for State or local authorizations, approvals, consents or orders already obtained, no State or local authorization, approval, consent or order is required by the State or any local government or governmental agency within the State for the valid authorization, execution and delivery by the Company of the Agreement, the Guaranty, the Tender Agent Agreement or the Financing and Covenants Agreement.

5. The Issuer has duly and validly assigned and pledged to the Trustee all right, title and interest of the Issuer in all revenues and receipts receivable by the Issuer under the Agreement (except for certain payments for expenses and indemnification of the Issuer).

6. The Bonds are limited obligations of the Issuer, payable solely out of the revenues and other amounts derived under the Agreement and the Guaranty (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Bonds or to interest and realized profit from the temporary investment of such proceeds), and neither the faith and credit of the Issuer, the State or any political subdivision thereof, nor the taxing power of the State or any political subdivision thereof, is pledged to the payment of the principal of the Bonds or the interest thereon or the costs incident thereto, and neither the Bonds nor the interest thereon is a debt of the Issuer or the State or any political subdivision thereof.

7. Interest on the Bonds (a) is excludable from gross income of the holders of the Bonds for purposes of federal income taxation pursuant to the Internal Revenue Code of 1986, as amended (the “Code”), except as provided in Section 147(a) of the Code, with respect to any period during which the Bonds are held by a person who is a “substantial user” of the Project or by a “related person,” as such terms are used in Section 147(a) of the Code and the regulations adopted thereunder, and (b) is a specific item of tax preference for purposes of calculating the federal alternative minimum tax on individuals. However, for taxable years beginning after December 31, 2022, such interest is included in the “adjusted financial statement income” (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

In delivering this opinion, we are assuming continuing compliance with the Covenants (as hereinafter defined) by the Issuer and the Company. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Bonds in order for interest on the Bonds to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Bonds and the use of the property refinanced by the Bonds, limitations on the source of the payment of and the security for the Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Bonds to the Treasury of the United States. The Indenture, the Agreement, the Issuer’s Non-Arbitrage Certificate delivered on the date hereof (the “Issuer’s Non-Arbitrage Certificate”) and the Company’s Tax Certificate and Covenants delivered on the date hereof (the “Company’s Tax Certificate”) contain covenants (the “Covenants”) under which the Issuer and the Company have agreed to comply. A failure to comply with the Covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includable in gross income for federal income tax purposes. Compliance by the Issuer with its respective Covenants does not require the Issuer to make any financial contribution for which it does not receive funds from the Company.

We have no responsibility to monitor compliance with the Covenants after the date of issue of the Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Indenture, the Agreement, the Issuer’s Non-Arbitrage Certificate and the Company’s Tax Certificate, including the Covenants, may be changed and certain actions may be taken or omitted under certain circumstances, subject to the terms and conditions set forth therein. We express no opinion concerning any effect on the excludability of interest on the Bonds from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than this firm.

We advise you that under the Indenture the Company is authorized to direct a change in the type of Interest Period and to adjust the duration of the Short Term Period and the Long Term

Period. The change in the type of Interest Period and the adjustment of the duration of the Short Term Period or the Long Term Period are subject to, among other things, receipt by the Trustee of an opinion of Bond Counsel (which may or may not be this firm) substantially to the effect that such change or adjustment will not adversely affect the excludability of interest on the Bonds from gross income for purposes of federal income taxation. The opinions expressed in this letter speak only as of its date, and nothing should be interpreted or construed to express or imply any opinion concerning the effect of any change or adjustment on the excludability of interest on the Bonds from gross income for purposes of federal income taxation. The availability of such an opinion will depend upon the facts and law existing at the time the opinion is sought.

8. Pursuant to the Act, the Bonds and the income therefrom shall be exempt from taxation in the State except for inheritance, estate or transfer taxes.

With respect to the due authorization, execution and delivery of the Agreement, the Guaranty and the Financing and Covenants Agreement by the Company, you are referred to the opinion of even date herewith of Tong Zou, Esquire, counsel to the Company. In rendering the foregoing opinions, we have relied on the opinion of even date herewith of Burr & Forman LLP, counsel to the Issuer. In reaching our conclusion as to the exemption of interest on the Bonds from federal income taxation, we have relied upon information furnished by and on behalf of the Issuer and the Company, including, but not limited to, certificates of even date herewith of the Issuer and the Company with respect to certain material facts which are solely within their knowledge relating to the Project, to the use, investment and disbursement of the proceeds of the Bonds and as to certain other matters, without undertaking to verify the same by independent investigation.

We have not examined the title of any party to the real estate on which the Project is located and therefore express no opinion thereon. The opinions expressed herein may not be published or communicated to any other person or entity without our specific prior written approval in each instance.

Very truly yours,

McGuireWoods LLP

AGENCY: Executive Director

SUBJECT: Revenue Bonds (Housing Authority of the City of Spartanburg)

The required reviews on the following proposal to issue revenue bonds has been completed with satisfactory results. The project requires approval under State law.

- a. Issuing Authority: Housing Authority of the City of Spartanburg
Amount of Issue: N/E \$27,000,000 Multifamily Housing Revenue Bonds, Series 2022
Allocation Needed: \$27,000,000 of 2020 ceiling allocation carry forward granted to the Housing Authority of the City of Spartanburg to be used
Name of Project: Hope Road Apartments
Employment Impact: n/a
Project Description: to provide financing for the acquisition for approximately 27.39 acres of real property located at 1304 Frey Springs Lane, Spartanburg, South Carolina 29303 and construction thereon of 24 multifamily buildings consisting of 192 affordable three (3) and four (4) bedroom residential rental units thereon, including amenities functionally related and subordinate thereto.
Bond Counsel: Ronald T. Scott, Haynsworth Sinkler Boyd, P.A.

AUTHORITY ACTION REQUESTED:

Adopt a resolution approving the referenced proposal to issue revenue bonds for the Housing Authority of the City of Spartanburg of not exceeding \$27,000,000 Multifamily Housing Revenue Bonds, Series 2022, for the Hope Road Apartments project.

ATTACHMENTS:

Scott 9/15/2022 letter with attachments; NDIF; Resolution



OFFICE OF STATE TREASURER

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

SFAA Approval Date: 11/09/22

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: Spartanburg Housing Series: 2022
Borrower (if not Issuer): Hope Road Development LP
Bond Caption: Multifamily Housing Revenue Bonds (Hope Road Project) Series 2022
Bond Resolution Amount: \$ 27,000,000 Est. Production/Par Amt: \$ 27,000,000

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

Final Production/Par Amt: \$ -

Submitted By:

ENTITY: Haynsworth Sinkler Boyd, P.A.
BY: Ronald T. Scott, Esq.
ITS: Bond Counsel
Tel: 803-779-3080
Email: rscott@hsblawfirm.com

Transaction Type/Method of Sale:

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

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

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Hope Road Apartments
Project Address/Location: 1304 Frey Springs Lane, Spartanburg, SC 29303 Amount: \$ 27,000,000
Project Type: Multi-family low income housing County: Spartanburg
Projected Avg Interest Rate: 3.88% Final Maturity: 40 years
Projected Cost per Unit: \$ 293,163 LIHTC/SCTC: \$16,832,171 / \$10,690,286

3. FINANCING (REFUNDED PORTION)

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

4. FINANCING WORKING GROUP

Financial Advisor: None
Bond Counsel: Haynsworth Sinkler Boyd, P.A.
Underwriter: None (JPMorgan Chase Bank, N.A., Pu
Paying Agent: U.S. Bank Trust Company, National As

Disclosure Counsel: None
Issuer's Counsel: Horton Law Firm - Bruce (Bo) Campbell
Trustee: U.S. Bank Trust Company, National Asso
Other: Troutman Pepper, Borrower's Counsel

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

The project will finance the acquisition of approximately 27.39 acres of real property located at 1304 Frey Springs Lane, Spartanburg, South Carolina 29303 and the construction of 24 buildings containing 192 affordable three (3) and four (4) bedroom residential rental units thereon, including amenities functionally related and subordinate thereto. The Bonds are a vehicle to cause the project to be eligible for the 4% low income housing tax credit.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Authority Approval:	10/20/20	Spartanburg Housing
JBRC Approval:	00/00/00	
SFAA Approval:	11/09/22	Proposed

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

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes No

X

X

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

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ -		
27,000,000	12/31/2023	Completion of construction, equipping and furnishing.
-		
\$ 27,000,000		

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

Sources	A. Est. Project Budget / Construction (Sources)	B. Est. Project Budget / Permanent (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par (b) Premium/Accr. Int.	\$ 27,000,000 -	\$ 27,000,000 -	\$ 48,890,916 -	Project Fund 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	-	-	563,500 -	Cost of Issuance (Incl. UW Disc.) Other (Contingency)
(5) Other MFHRB Sources			3,000,000	Developer Fee
(a) LIHTC	3,366,434	16,832,171	1,178,658	Reserves
(a) State Housing TC	2,138,057	10,690,286	755,000	Acquisition
(c) Owner's Equity/Other	1,036,056	1,764,926	-	Renovation
(d) Mortgage Loan (Construct	22,746,836	-	1,899,309	Third party reports/soft costs
Total Project Sources	\$ 56,287,383	\$ 56,287,383	\$ 56,287,383	Total Project Uses
Surplus/Deficit		\$ -		

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor				\$ -	\$ -	\$ -
Bond Counsel	Haynsworth Sinkler Boyd			75,000	-	75,000
Disclosure Counsel				-	-	-
Issuer's Counsel	Horton Law Firm			30,000	-	30,000
Purchaser's Counsel	Tiber Hudson			30,000	-	30,000
Transaction Counsel	Troutman Pepper			200,000	-	200,000
Trustee's Counsel	Burr Forman LLP			5,000	-	5,000
Rating Agency - S&P				-	-	-
Rating Agency - Moody's				-	-	-
Rating Agency - Fitch				-	-	-
Underwriter's Compensation				-	-	-
Registrar / Paying Agent				-	-	-
Escrow Agent	National Association			7,500	-	7,500
Accountant				-	-	-
Verification Agent				-	-	-
Printing/Publishing/Advertising				-	-	-
Issuer's Fee	Authority Fees			216,000	-	216,000
				\$ 563,500	\$ -	\$ 563,500

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

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

0.00%	#DIV/0!
0.28%	#DIV/0!
1.26%	#DIV/0!
0.00%	#DIV/0!

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

0.00%	#DIV/0!
0.83%	#DIV/0!
2.09%	#DIV/0!

**HAYNSWORTH
SINKLER BOYD**

HAYNSWORTH SINKLER BOYD, P.A.
1201 MAIN STREET, 22ND FLOOR
P.O. BOX 11889 (29211)
COLUMBIA, SOUTH CAROLINA 29201
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www.hsblawfirm.com

RONALD T. SCOTT, ESQUIRE
PUBLIC FINANCE
DIRECT DIAL NUMBER 803.540.7804
rscott@hsblawfirm.com

October 28, 2022

Via Electronic Delivery

Delbert H. Singleton, Jr.
State Fiscal Accountability Authority
Wade Hampton Office Building, 6th Floor
Columbia, South Carolina 29201

Re: Not to exceed \$27,000,000 Spartanburg Housing Multifamily Housing Revenue
Bonds (Hope Road Project) Series 2022

Dear Delbert:

On December 17, 2020, upon petition ("***Petition for Allocation***") of Spartanburg Housing (the "***Authority***" or the "***Issuer***") pursuant to Section 1-11-510(A) Code of Laws of South Carolina, 1976, as amended (the "***Allocation Act***"), the State Fiscal Accountability Authority (the "***SFAA***") awarded to the Authority an allocation of \$27,000,000 of the State of South Carolina's volume cap limitation with respect to exempt facility private activity bonds ("***State Ceiling***") under Sections 142(d) and 146 of the Internal Revenue Code of 1986, as amended (the "***Code***"). The SFAA granted the \$27,000,000 allocation of State Ceiling in consideration of the Authority's stated determination to issue one or more series of Multifamily Housing Revenue Bonds for the purpose of making a loan to Hope Road Development LP, a South Carolina limited partnership (the "***Housing Sponsor***" or "***Borrower***"), to finance a portion of the costs of the acquisition of land and construction of affordable rental housing. The SFAA further approved that the allocation of the State Ceiling to the Authority be designated for carryforward status for the following three calendar years.

The Authority now proposes to issue its Multifamily Housing Revenue Bonds (Hope Road Project) Series 2022 (the "***Bonds***") in an aggregate principal amount of not exceeding \$27,000,000. We respectfully request final approval of the Bonds by the SFAA pursuant to Section 31-13-90 Code of Laws of South Carolina, 1976, as amended (the "***Act***") at its meeting scheduled for November 9, 2022.

I have enclosed the following documents in support of this request in addition to those listed on the SFAA Intake Checklist attached to this letter:

1. Completed SFAA transmittal form;

Delbert H. Singleton, Jr.
October 28, 2022
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2. The Preliminary Resolution adopted by the Board of Commissioners of the Authority on October 20, 2020;
3. The Authority's executed Petition for Approval to the SFAA;
4. A form of the approving Resolution to be considered for adoption by the SFAA on November 9, 2022;
5. A form of bond counsel's opinion letter;
6. A Private Participant Disclosure Form – Legal Entity;
7. An organizational chart of the Housing Sponsor (as defined herein);
8. Biographies of each of the principals of the Housing Sponsor;
9. State Tax Credit Determination Letter; and
10. 42(m) Certificate of the Allocating Agency.

I am sending a copy of this package and a New Debt Information Form to Robert Macdonald at the State Treasurer's Office. He will forward that form to you separately. If I can provide you with any additional information, please do not hesitate to let me know.

The following information is provided pursuant to the Act and complies with the requirements set forth in Regulation 19-104.01. The Authority will use the proceeds of the Bonds to make a mortgage loan to the Housing Sponsor (the "**Project Loan**"), for the acquisition of approximately 27.39 acres of real property located at 1304 Frey Springs Lane, Spartanburg, South Carolina 29303, and the construction of 24 buildings containing 192 affordable three (3) and four (4) bedroom residential rental units thereon, including amenities functionally related and subordinate thereto (the "**Project**"). The Project will be known as Hope Road Apartments. The Housing Sponsor has obtained a market study for the Project (the "**Market Study**"). The Housing Sponsor is a newly formed entity and has no operating history and hence no audited financial statements.

The Authority anticipates the Bonds will be issued and delivered to JPMorgan Chase Bank, N.A. as Purchaser (the "**Purchaser**"), and are issued pursuant to the provisions of (i) Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended, (ii) a Trust Indenture (the "**Trust Indenture**") between the Authority and U.S. Bank Trust Company, National Association, as Trustee (the "**Trustee**"), (iii) a Loan Agreement (the "**Loan Agreement**"), between the Authority and the Housing Sponsor, and (iv) a resolution (the "**Resolution**") adopted by the Board of Commissioners of the Issuer authorizing the issuance and sale of the Bonds. Pursuant to the Loan Agreement, the Issuer will make the Project Loan to the Housing Sponsor in order to provide funds to finance the

Delbert H. Singleton, Jr.
October 28, 2022
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costs of the Project. The Borrower's repayment obligations in respect of the Project Loan will be evidenced by a Note (the "**Project Note**") delivered to the Trustee as security for the Project Loan. To secure the Borrower's obligations under the Project Note, the Borrower will execute and deliver to the Purchaser a Mortgage, Assignment of Rents, Security Agreement and Fixture Filing and an Assignment of Rents and Leases (the "**Mortgage**") which will be assigned to the Trustee as security for the Project Loan. The Trust Indenture will require the mandatory prepayment in the event that the interest on the Bonds becomes taxable.

The Project will be encumbered by restrictive covenants to ensure the Project continuously complies with the requirements of the Act and of the Code pursuant to the Agreement as to Restrictive Covenants between the Authority and the Sponsor (the "**Restrictive Covenants**"). The Borrower also will use federal low income housing tax credits to provide additional funds for the acquisition and construction of the Project.

Copies of the Market Study, Cash Flow Schedules for the Bonds and Cash Flow Schedules for Prior Bonds, and information concerning the Manager are filed herewith, along with forms of the Trust Indenture, Loan Agreement, Bonds, Mortgage, and Restrictive Covenants Agreement.

In the Petition for Approval, the Authority has requested the SFAA delegate to the State Treasurer the power to grant, on behalf of the SFAA, 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 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 Act, this information will be provided to the State Treasurer, as the designee of the SFAA, prior to the issuance of the Bonds.

Finally, the Authority and the Housing Sponsor have enclosed with this submission certain preliminary schedules for consideration by the SFAA showing (A) the current annual debt service requirements on all outstanding notes and bonds of the Authority, and (B) the expected amount and source of revenues available for the payment of the debt service requirements of the Bonds.

**HAYNSWORTH
SINKLER BOYD**

Delbert H. Singleton, Jr.
October 28, 2022
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Please do not hesitate to contact me if you have any questions or need any additional information. Thank you very much for your assistance.

With best regards, I remain

Sincerely Yours,

HAYNSWORTH SINKLER BOYD, P.A.



Ronald T. Scott

Enclosures

cc: Robert Macdonald, Office of the State Treasurer
with enclosures and NDIF

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: 10/28/2022

Submitted for SFAA Meeting on:
11/9/2022

FROM: Haynsworth Sinkler Boyd, P.A.

1201 Main Street, 22nd Floor
Columbia, SC 20201
803-779-3080

RE: Not to exceed \$27,000,000 Spartanburg Housing Multifamily Housing Revenue Bonds (Hope Road Project)

Project Issue Date: 12/31/2022

Project Name: Hope Road Project

Project Description: On December 17, 2020 the SFAA approved a Ceiling Allocation of \$27,000,000 to provide financing for the acquisition of approximately 27.39 acres of real property located at 1304 Frey Springs Lane, Spartanburg, South Carolina 29303 and construction thereon of 24 buildings containing 192 affordable three (3) and four (4) bedroom residential rental units thereon, including amenities functionally related and subordinate thereto.

Employment as a result of the project: N/A – housing bonds.

	YES	NO	AMOUNT
Ceiling Allocation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$27,000,000 (Ceiling allocation awarded by SFAA on December 17, 2020)
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$27,000,000 (Ceiling allocation approved by SFAA on December 17, 2020)

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 for Allocation and Petition for Approval (Petition for Allocation Previously Approved 12/17/20)
- B. ☒ Resolution or Ordinance
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☒ State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus 4 copies for certification and return to bond counsel
- F. ☒ Draft bond counsel opinion letter
- G. ☒ Processing Fee

Amount: \$4,000.00 **Check No:** 1031 *(Included in May 2022 submittal and retained by SFAA)*

Payor: Hope Road Development LP

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

Bond Counsel: Ronald T. Scott - Haynsworth Sinkler Boyd, P.A.
Typed Name of Bond Counsel

By: 
Signature

SFAA 06/19/2020

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

PETITION FOR ALLOCATION

STATE FISCAL ACCOUNTABILITY AUTHORITY)
OF SOUTH CAROLINA)

Hope Road Development LP
Project

The Petition of the Housing Authority of the City of Spartanburg, South Carolina (the "**Authority**") respectfully shows:

1. The Authority is an "**issuing authority**" as such term is used under Section 1-11-510(A) Code of Laws of South Carolina, 1976, as amended (the "**Allocation Act**") establishing a plan for the allocation of the State of South Carolina's volume limitation with respect to private activity bonds under Section 146 of the Internal Revenue Code of 1986, as amended (the "**Code**") imposed by the Tax Reform Act of 1986.

2. The Authority is authorized under Act No. 369 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina 1986 (the "**Authority Act**"), to have the same powers as the South Carolina State Housing Finance and Development Authority under 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 the State of South Carolina 1977, as amended (the "**Enabling Act**"), and pursuant to such authorization the Authority has determined to issue one or more series of Multifamily Rental Housing Revenue Bonds pursuant to the authorizations granted to it in an amount not to exceed \$27,000,000 (the "**Bonds**"), for the purpose of making a mortgage loan to **HOPE ROAD DEVELOPMENT, LP**, a South Carolina limited partnership (the "**Sponsor**"), to finance a portion of the costs of the acquisition of an approximately 50 acre parcel of land abutting Hope Road (the "**Site**") in unincorporated Spartanburg County, South Carolina (the "**County**") and constructing 193 affordable 3 and 4 bedroom single family rental homes thereon, including amenities functionally related and subordinate thereto, and a portion of the costs of financing (the "**Project**") to be occupied by members of the Authority's Beneficiary Classes.

3. The Allocation Act authorizes the Authority to submit its request to the State Fiscal Accountability Authority (the "**SFAA**") that a portion of the State Ceiling established by the Tax Reform Act (the "**State Ceiling**") be allocated to the Bonds.

4. This Petition constitutes an "**authorized request**" within the meaning of Section 1-11-530 of the Allocation Act.

5. Such assistance will permit the Sponsor to obtain low income housing tax credits under Section 42 of the Code producing an equity contribution to fund a portion of the costs of the Project, thereby increasing the availability of safe and affordable housing in the upstate of South Carolina and increasing the assessed value of the Project, to the benefit of the local and State governments.

6. The Authority represents that it is not at this time considering the issuance of any additional bonds for the Project.

Upon the basis of the foregoing, the Authority respectfully prays:

That the State Fiscal Accountability Authority accept the filing of this Petition, that it determines that the allocation amount requested is not disproportionately large in comparison with the State Ceiling not yet allocated or with the public benefits to be derived from the issuance of the Authority's bonds, that it approve an allocation for the Bonds equal to not exceeding \$27,000,000, and that it authorize the Authority to carry forward the allocation so granted to future calendar years in accordance with the provisions of the Code.

Spartanburg, South Carolina
October 20, 2020

Respectfully submitted,

**HOUSING AUTHORITY OF THE CITY OF
SPARTANBURG, SOUTH CAROLINA**

By: 
Shaunté Evans
Chief Executive Officer

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

PETITION FOR APPROVAL

TO: THE STATE FISCAL ACCOUNTABILITY)
 AUTHORITY OF SOUTH CAROLINA)
)
)

HOPE ROAD PROJECT

This Petition of Spartanburg Housing (the "**Authority**") is submitted to the State Fiscal Accountability Authority of South Carolina (the "**SFAA**") pursuant to the provisions of Sections 31-13-220 and 1-11-530 of the Code of Laws of South Carolina 1976, as amended, and respectfully shows:

1. The Authority was created by a resolution adopted by the City Council of the City of Spartanburg (the "**City**") pursuant to Article 5 of Chapter 3 of Title 31 of the Code of Laws of South Carolina 1976, as amended.

2. The Authority, acting by and through its Board of Commissioners, is authorized and empowered pursuant to the provisions of Act No. 369 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1986, to have the same powers as the South Carolina State Housing Finance and Development Authority under the South Carolina State Housing Finance and Development Authority Act of 1977, as amended (collectively, the "Enabling Act"), with respect to multi-family housing.

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

4. Hope Road Development LP, a South Carolina limited partnership (the "**Housing Sponsor**"), has requested that the Authority assist it with financing the acquisition of approximately 27.39 acres of real property located at 1304 Frey Springs Lane, Spartanburg, South Carolina 29303 and construction thereon of 192 three (3) and four (4) bedroom residential rental units to be occupied by members of the Authority's Beneficiary Classes in unincorporated Spartanburg County, South Carolina, to be known as the Hope Road Apartments Project, including amenities functionally related and subordinate thereto (the "**Project**"), by the funding of one or more mortgage loans (the "**Mortgage Loan**") through the issuance of its revenue bonds or notes.

5. The Authority proposes to fund the Mortgage Loan to the Housing Sponsor by the issuance of its revenue bonds pursuant to a resolution adopted by the Authority (the "**Resolution**"), such bonds to be issued in the aggregate principal amount of not to exceed \$27,000,000 (the "**Bonds**"). The proceeds of the Bonds will be used to fund the Mortgage Loan to the Housing Sponsor to provide construction and permanent financing for a portion of the costs of the Project and to qualify the Project for federal and South Carolina Low Income Housing Tax Credits (the "**Tax Credits**").

6. The Authority preliminarily approved the issuance of the Bonds pursuant to a resolution adopted October 20, 2020, to provide funds to make a mortgage loan to the Housing Sponsor for the costs of a portion of the Project and to pay the costs and expenses incurred in connection with the issuance of the Bonds.

7. On December 17, 2020, the SFAA made a carry-forward allocation of the State Ceiling for private activity bonds in the amount of not to exceed \$27,000,000 for the Bonds. The allocation of \$27,000,000 of State Ceiling constitutes all of the private activity bond financing contemplated at this time for the Project and any other facilities located at or used as a part of an integrated operation with the Project, as of the date of this Petition.

8. The Authority adopted a final resolution on September 12, 2022, authorizing the issuance and sale of the Bonds, subject to final approval of the Bonds by resolution of the SFAA and satisfaction of any conditions contained therein, 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.

9. The Authority has determined that:

(a) (i) Sufficient persons or families of the Beneficiary Classes are unable to pay rent in the amounts at which private enterprise is providing decent, safe, and sanitary housing in the City; (ii) through the exercise of one or more of the loan programs authorized by the Enabling Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need therefor; and (iii) a series of bonds or notes must be sold in order to alleviate the lack of decent, safe, and sanitary housing available to individuals of the Beneficiary Classes.

(b) In order to provide the moneys necessary to provide the Mortgage Loan for the acquisition, construction, and equipping of the Project, the Bonds must be issued.

(c) The Bonds will be issued and delivered to JPMorgan Chase Bank, N.A., or such other institutional lender (the "**Purchaser**") as is requested by the Housing Sponsor and approved by the Authority, which arrangement has been determined by the Authority to be sufficient for purposes of the Enabling Act, and that the revenues and other funds estimated to be available for the payment of debt service will provide sufficient moneys required for the repayment of the principal and interest on the bonds and notes of the Authority, including the Bonds.

10. It is expected that the Bonds will be issued and placed with the Purchaser pursuant to a Trust Indenture and a Loan Agreement, in substantially the form as presented at this meeting, pursuant to which the proceeds of the Bonds will be used to finance a portion of the costs of acquisition and construction of the Project and the costs of issuance of the Bonds. Such Trust Indenture and Loan Agreement, or related documents shall contain (a) provisions for the avoidance of default by the Authority pursuant to S.C. Regulation Section 19-104.01(F)(11)(b) and (b) representations from the Purchaser that the Bonds are being acquired for investment rather than resale purposes pursuant to S.C. Regulation 19-104.01(D).

11. 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 Enabling Act.

There are hereby filed with the SFAA pro forma schedules with respect to the Bonds based on current estimates and market conditions.

12. 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 Enabling Act.

13. The Authority requests that the SFAA delegate to the State Treasurer the ability to approve the interest rate on the Bonds, and upon making the determination that the funds anticipated to be available for the payment of the Authority's notes and bonds, including the Bonds, will be sufficient to provide for the payment of principal and interest thereon, to grant on behalf of the SFAA final approval for the issuance of the 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 the debt service requirements established by the schedules referenced in item (c); and;
- (e) the method to be employed in selling the Bonds.

Attached hereto in response to the requirements of Section 31-13-220 are the following schedules, certain of which are pro forma schedules because the Bonds have not been priced or sold as of the date of this Petition, to wit:

- (i) a pro forma (in lieu of final schedules) of the principal amount of the Bonds to be issued;
- (ii) a pro forma (in lieu of final schedules) of the maturity schedule of the Bonds to be issued;
- (iii) schedules showing the annual debt service requirements on all outstanding notes and bonds of the Authority;
- (iv) schedules showing the amount and source of revenues available for the payment of the debt service requirements established by the schedules referenced in item (iii); and
- (v) the method to be employed in selling the Bonds.

14. The Bonds will be limited obligations of the Authority secured by and payable solely from monies, income and receipts of the Authority pledged under the Resolution with respect thereto. The Bonds will not be a debt or grant or loan of credit of the Authority or the State.

15. In compliance with Regulation 19-104.01, the documents pursuant to which the Bonds will be issued shall provide (i) 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 Housing Sponsor; (ii) the Project will be managed in compliance with the requirements of Regulation 19-104.01(F)(10) pursuant to the terms of an Agreement as to Restrictive Covenants and the non-arbitrage and tax agreement with the Housing Sponsor; and (iii) the financing of the Bonds will be structured to protect the interests of the prospective bondholder and the Authority in accordance with Regulation 19-104.01(F)(11).

16. The Authority agrees, pursuant to S.C. Regulation 19-104.01(F)(13), that the management agent for the Project must be approved by the SFAA. The initial management agent of the Project is Beacon Property Services LLC (or an affiliate thereof).

Upon the basis of the foregoing, the Authority respectfully prays:

The State Fiscal Accountability Authority (i) to accept the filing of this Petition and the documents submitted herewith; (ii) to undertake such review as its deems necessary; (iii) to give conditional approval of the issuance of the Bonds in the aggregate principal amount of not to exceed \$27,000,000 for the purpose of financing the Mortgage Loan to pay a portion of the cost of the acquisition and construction of the Project, as set forth above, and for paying the costs of issuance in connection therewith; and (iv) to approve the initial management agent for the Project.

Respectfully submitted,

SPARTANBURG HOUSING

By



Shaunte Evans
Chief Executive Officer

SPARTANBURG HOUSING 2022

A RESOLUTION

MAKING PROVISION FOR THE ISSUANCE OF A NOT TO EXCEED \$27,000,000 AGGREGATE PRINCIPAL AMOUNT SPARTANBURG HOUSING MULTIFAMILY HOUSING REVENUE BONDS (HOPE ROAD PROJECT) SERIES 2022; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATING THERETO; AUTHORIZING PROPER OFFICERS TO DO ALL THINGS NECESSARY OR ADVISABLE; AND OTHER MATTERS INCIDENTAL THERETO.

WHEREAS, Spartanburg Housing, formerly known as the Housing Authority of the City of Spartanburg, South Carolina, (the "**Authority**"), was created by a resolution adopted by the City Council of the City of Spartanburg (the "**City**") pursuant to Title 31, Chapter 3, Article 5 of the Code of Laws of South Carolina 1976, as amended; and

WHEREAS, the Authority acting by and through its Board of Commissioners (the "**Board**"), is authorized and empowered under and pursuant to the provisions of Act No. 369 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1986 to have the same powers with respect to multi-family housing as the State Housing Finance and Development Authority pursuant to the provisions of the South Carolina State Housing Finance and Development Authority Act of 1977, as amended (codified as Sections 31-13-160 through 31-13-330 of the Code of Laws of South Carolina 1976, as amended) (the "**Enabling Act**"); and

WHEREAS, as authorized and empowered under the Enabling Act, the Authority has determined that (i) sufficient persons or families of either beneficiary class (as defined by the Enabling Act) (the "**Beneficiary Classes**") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing, and (ii) through the exercise of one or more of the programs authorized by the Enabling Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need thereof, and (iii) the Authority shall issue bonds in order to alleviate the lack of decent, safe, and sanitary housing available to members of the Beneficiary Classes; and

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

WHEREAS, Hope Road Development LP, a South Carolina limited partnership (the "**Housing Sponsor**"), has represented to the Authority that it desires to acquire approximately 27.39 acres of real property located at 1304 Frey Springs Lane in the unincorporated area of Spartanburg County, South Carolina, and construct thereon such improvements for 192 three (3) and four (4) bedroom residential rental units to be occupied by members of the Authority's Beneficiary Classes, including amenities functionally related and subordinate thereto (collectively, the "**Project**"); and

WHEREAS, the Authority on October 20, 2020, adopted its Inducement Resolution (the "**Inducement Resolution**") making preliminary provision for the issuance of the Bonds and authorizing a petition to the SFAA seeking its approval of the issuance of the Bonds and an allocation of private activity bond volume cap under Section 146(f)(2) of the Internal Revenue Code of 1986, as amended (the "**Tax Code**"); and

WHEREAS, the Authority has previously requested and on December 17, 2020 was granted by the SFAA, an allocation of \$27,000,000 of private activity bond volume cap under Section 146(f)(2) of the Internal Revenue Code of 1986, as amended (the "**Code**"), which allocation was also designated for carryforward use in the following three calendar years; and

WHEREAS, in compliance with the provisions of Section 31-3-40 of the Code of Laws of South Carolina 1976, as amended, the Authority and Regional Housing Authority No. 1 (the "**Regional Housing Authority**") have entered into a Cooperation Agreement, dated on or about August 23, 2021, pursuant to which the Regional Housing Authority has agreed that the Authority is authorized to exercise its powers to issue multifamily housing revenue bonds or notes to assist in the financing of affordable multifamily housing, such as the Project, within the area of operation of the Regional Housing Authority (the "**Cooperation Agreement**"), including the unincorporated area of Spartanburg County, South Carolina; and

WHEREAS, pursuant to and in accordance with the terms of the Enabling Act and the Cooperation Agreement, the Authority has authorized and undertaken to issue, in one or more series, its not exceeding \$27,000,000 aggregate principal amount Multifamily Housing Revenue Bonds (Hope Road Project) Series 2022 (the "**Bonds**"), pursuant to this Resolution (this "**Resolution**") and a Trust Indenture among the Authority and a trustee (the "**Trust Indenture**"), in order to (i) provide funds to finance the costs of the Project, and (ii) pay the costs of issuance of the Bonds; and

WHEREAS, in furtherance of the purposes of the Enabling Act and in order to provide decent, safe and sanitary housing to members of the Beneficiary Classes, the Authority proposes to finance the costs of the Project by lending the proceeds derived from the sale of the Bonds pursuant to a Loan Agreement (the "**Loan Agreement**") by and between the Authority and the Housing Sponsor; and

WHEREAS, the terms of the Loan Agreement will require the Housing Sponsor to make loan payments sufficient to pay when due the principal, premium (if any), and interest on the Bonds and related fees, costs and expenses and thereby provide a revenue source with which to pay the Bonds; and

WHEREAS, it has been presently determined that the estimated amount necessary to finance the cost of the Project, including necessary expenses incidental to the issuance of the Bonds, will require the issuance, sale and delivery of the Bonds in the amount not to exceed \$27,000,000; and

WHEREAS, in accordance with the Enabling Act and the Inducement Resolution with respect to the Project (a) the Authority's staff has reviewed and recommends the Project based on its review and determination that assisting in the financing of the Project with the proceeds of the Bonds will promote and serve the intended purposes of and in all respects will conform to the provisions and requirements of the

Enabling Act, (b) the Authority has approved the items which may be included in any required charges (rent plus any other mandatory payments) to occupants of the Project, (c) the SFAA has made a tentative allocation of the state ceiling for the Bonds, and (d) the Authority will petition the SFAA to give conditional approval to the issuance of the Bonds, subject to certain approvals delegated to the South Carolina State Treasurer to be set forth in an SFAA resolution; and

WHEREAS, there has been prepared for review and consideration by the Authority the forms of the Loan Agreement and Trust Indenture; and

WHEREAS, it appears that the Loan Agreement and Trust Indenture, which are now before this meeting for consideration, are in substantially final form and are appropriate instruments to be executed and delivered by the Authority for the purposes intended.

NOW, THEREFORE, BE IT RESOLVED, by the Authority as follows:

Section 1. Confirmation of Inducement Resolution; Adoption of Preambles. The Authority hereby confirms the findings and determinations made by the Authority regarding the Bonds, the Project, and the Housing Sponsor in the Inducement Resolution. Each statement of fact, determination, and finding of the Authority set forth in the preambles hereto has been carefully examined and has been found to be in all respects true and correct as of the date hereof. In order to provide decent, safe and sanitary housing to members of the Beneficiary Classes, the issuance of the Bonds and the loan of the proceeds thereof for the acquisition and construction of the Project is hereby authorized, ratified and approved.

Section 2. Form of Bonds. The Bonds shall be in substantially the form set forth in the Trust Indenture now before this meeting, with necessary or appropriate variations, omissions and insertions as permitted or required by the Trust Indenture. The form, terms and provisions of the Bonds presented to this meeting and filed with the Chief Executive Officer of the Authority are hereby approved, and all of the terms, provisions and conditions thereof are hereby incorporated by reference as if set out in this Resolution in their entirety. The Chairman ("**Chairman**") or Vice Chairman ("**Vice Chairman**") of the Board, the Chief Executive Officer of the Authority (the "**Chief Executive Officer**"), or any of them, are hereby authorized, empowered and directed to execute, by manual, facsimile or electronic signature, and deliver the Bonds to the Trustee, a Notary Public is hereby authorized to attest to the same, and the Chief Executive Officer, or any appropriate officers, attorneys, agents, and employees of the Authority are hereby authorized to affix the corporate seal of the Authority to the Bonds. The Bonds shall be in substantially the form now before this meeting and hereby approved, or with such changes, insertions and omissions therein as may be deemed necessary or convenient by the Chairman, Vice Chairman or Chief Executive Officer executing the same, said execution to constitute conclusive evidence of such approval. In case the officers whose signatures shall appear on the Bonds shall cease to be such officers before the delivery of the Bonds, such signatures shall nevertheless be valid and sufficient for all purposes, the same as if such officers had remained in office until delivery.

Section 3. Issuance of Bonds. (a) In order to provide a portion of the moneys required to finance the costs of acquisition and construction of the Project, there is hereby authorized and shall be issued the Bonds in the principal amount of not to exceed \$27,000,000. The Bonds are intended to be issued as an exempt facility bond for qualified residential rental projects under Section 142(a)(7) of the Tax Code. The Bonds shall be executed on behalf of the Authority as set forth in Section 2 above.

(b) Issuance of the Bonds by the Authority is subject to approval of the Bonds by resolution of the SFAA and satisfaction of any conditions contained therein.

Section 4. Approval of Form of Trust Indenture. The transactions described in the recitals to this Resolution shall be consummated pursuant to the terms of the Trust Indenture to be executed on behalf of the Authority by the Chairman, Vice Chairman, or Chief Executive Officer and attested by a Notary Public, and the seal of the Authority shall be affixed thereto. The form of the Trust Indenture is presented at this meeting and filed with the minutes of this meeting, the form, terms, and conditions of which are hereby approved with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing the Trust Indenture, their approval to be conclusively evidenced by such officers' execution thereof.

Section 5. Approval of Forms of Loan Agreement. The transactions described in the recitals to this Resolution shall be consummated pursuant to the terms of the Loan Agreement to be executed on behalf of the Authority by the Chairman, Vice Chairman, or Chief Executive Officer and attested by a Notary Public, and the seal of the Authority shall be affixed thereto. The form of the Loan Agreement is presented at this meeting and filed with the minutes of this meeting, the form, terms, and conditions of which are hereby approved with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing the Loan Agreement, their approval to be conclusively evidenced by such officers' execution thereof.

Section 6. Issuance and Delivery of Bonds. The Chairman, the Vice Chairman, the Chief Executive Officer, or any other proper officer of the Authority is hereby authorized to execute and deliver any and all documents and instruments and to do and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution as may be recommended by legal counsel to the Authority; including, without limitation, the execution and delivery of any tax agreement, any mortgage, assignment, bond purchase or placement agreement or agreement as to restrictive covenants customarily used in the transactions contemplated by the Loan Agreement and Trust Indenture.

Section 7. Authorization of the Trustee. The Trustee is hereby authorized to receive and receipt for the proceeds of the Bonds on behalf of the Authority and to hold, invest and disburse said proceeds in accordance with the provisions of the Loan Agreement and the Trust Indenture.

Section 8. Approval of Form of Restrictive Covenants. The Project will be encumbered by restrictive covenants to ensure the Project continuously complies with the requirements of the Enabling Act and of the Tax Code pursuant to the Agreement as to Restrictive Covenants between the Authority and the Housing Sponsor (the "***Restrictive Covenants***") to be executed on behalf of the Authority by the Chairman, the Vice Chairman, or the Chief Executive Officer of the Authority, in substantially the form as presented at this meeting with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing said document, their approval to be conclusively evidenced by such officer's execution thereof.

Section 9. General Authority. The Board, the Chief Executive Officer, appropriate officers, attorneys, agents, and employees are hereby authorized to do all acts and things required of them by this Resolution, the Bonds, the Trust Indenture, the Loan Agreement or the Restrictive Covenants, or desirable or consistent with the requirements hereof or thereof for the acquisition and construction of the Project or the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Bonds, this Resolution, the Trust Indenture, the Loan Agreement and the Restrictive Covenants, and each such Board, appropriate officer, attorney, agent, and employee is hereby authorized and directed to execute and deliver any and all papers, financing statements, reports, forms, certificates, and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereby and thereby, including the execution and delivery of a Federal Tax Agreement and Non-Arbitrage Certificate between the Authority and the Housing Sponsor (the "***Regulatory Agreement***"),

in such form as is approved by such officers or employees, execution by the said officers or employees being conclusive evidence of their approval.

Section 10. Limited Obligations; No Personal Liability. The Bonds shall be a limited obligation of the Authority payable by the Authority solely from the Trust Estate (as defined in the Trust Indenture). The Bonds do not and shall never constitute a debt, grant or loan of the State of South Carolina (the “**State**”) or any political sub division thereof within the meaning of any State constitutional provision or statutory limitation (other than Article X, Section 13(9) of the Constitution of the State of South Carolina, 1895, as amended, authorizing indebtedness for any public purpose payable solely from a revenue-producing project), nor give rise to a pecuniary liability as a result of the issuance thereof. The Bonds and the interest thereon are not payable out of any funds other than those specified therefore, nor are they secured by or payable from the full faith, credit and taxing power of the State or the Authority. Upon assignment of the Loan Agreement, the Authority shall, as required by the Act, be deemed not in default under the Bonds in the event that the Housing Sponsor fails to pay, when due, principal of, premium, if any, or interest on the Bonds (as such term is defined in the Trust Indenture). The holders of the Bonds must look solely to the Housing Sponsor to make payments under the Bonds fully sufficient to pay principal of, premium, if any, and interest on the Bonds.

Nothing in this Resolution or any other document executed in connection with the issuance of the Bonds shall be construed as an obligation or commitment by the Authority to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the revenues derived by the Authority from the Loan Agreement, (iii) any proceeds accruing to the Authority on account of insurance on the Project, (iv) any moneys accruing to the Authority on account of any taking or condemnation of title to all or part of any of the Project, and (v) any moneys arising out of the investment or reinvestment of said proceeds, revenues or moneys.

Section 11. Interpretation. This Resolution shall be construed and interpreted in accordance with the laws of the State of South Carolina.

Section 12. Effective Date. This Resolution shall become effective immediately upon its adoption by the Board.

Section 13. Severability. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 14. Conflicts. All orders, resolutions, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall take effect and be in full force from and after its passage and approval.

Section 15. SFAA Approval. This Resolution and the approval of the issuance of the Bonds is conditioned upon and subject to the final approval of the issuance of the Bonds by the SFAA.

[Signatures appear on following page]

Adopted in a meeting duly assembled this 12th day of September, 2022.

SPARTANBURG HOUSING



Chief Executive Officer/Secretary

(SEAL)

STATE OF SOUTH CAROLINA)

)

ACKNOWLEDGMENT

COUNTY OF SPARTANBURG)

I, John W. Long, the undersigned Notary Public, do hereby certify that Shaunte Evans, Chief Executive Officer and Secretary of Spartanburg Housing, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand this 12th day of September, 2022.



Notary Public for South Carolina

My Commission Expires: July 28, 2025

A RESOLUTION PROVIDING THAT THE HOUSING AUTHORITY OF THE CITY OF SPARTANBURG, SOUTH CAROLINA, WILL, UNDER CERTAIN CONDITIONS, ISSUE NOT EXCEEDING \$27,000,000 MULTIFAMILY HOUSING REVENUE BONDS (HOPE ROAD PROJECT) TO FUND A MORTGAGE LOAN TO HOPE ROAD, LLC. (OR AN ENTITY AFFILIATED THEREWITH) TO FINANCE THE ACQUISITION AND REHABILITATION OF A MULTIFAMILY HOUSING RENTAL PROJECT IN SPARTANBURG, SOUTH CAROLINA, AND TAKE CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH INCLUDING SEEKING CERTAIN APPROVALS BY THE CITY OF SPARTANBURG AND THE SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY.

WHEREAS, the Housing Authority of the City of Spartanburg, South Carolina (the “*Authority*”), was created by a resolution adopted by the City Council of the City of Spartanburg (the “*City*”) pursuant to Article 5 of Chapter 3 of Title 31 of the Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, the Authority acting by and through its Board of Commissioners (the “*Commissioners*”), is authorized and empowered under and pursuant to the provisions of Act No. 369 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1986 (the “*Enabling Act*”) to have the same powers as the State Housing Authority pursuant to the provisions of Act No. 76 of the Acts and Joint Resolutions of the General Assembly for the year 1977, as amended; and

WHEREAS, in accordance with the terms of the Enabling Act, the Authority is authorized and empowered to make mortgage loans in such amounts and on such terms and conditions as the Authority shall approve to housing sponsors for residential housing and housing development and to make loans to or purchase securities from mortgage lenders upon such terms and conditions as the Authority shall approve including a requirement that the proceeds thereof be used by such mortgage lender for the making of mortgage loans for residential housing all for the purpose of providing decent, safe and sanitary residential housing to persons in the beneficiary classes (as provided for in the Enabling Act) with respect to multifamily housing; and

WHEREAS, the Authority is authorized and empowered by the Enabling Act to make commitments for any programs over which the Authority has jurisdiction; and

WHEREAS, upon obtaining the approval of the South Carolina State Fiscal Accountability Authority, the Authority is authorized by the Enabling Act to issue its notes or bonds and to use the proceeds thereof to fund any of the programs authorized by the Act under the terms and conditions provided for therein; and

WHEREAS, **HOPE ROAD DEVELOPMENT, LP**, a South Carolina limited partnership (the “*Applicant*”) has requested the Authority to assist the Applicant in providing financing for the acquisition of an approximately 50 acre parcel of land abutting Hope Road (the “*Site*”) in unincorporated Spartanburg County, South Carolina (the “*County*”) and constructing 193 affordable 3 and 4 bedroom single family rental homes thereon, including amenities functionally related and subordinate thereto, and a portion of the costs of financing (the “*Project*”); and

WHEREAS, the Applicant will borrow the proceeds of the sale of the Bonds and undertake the Project and intends that the interest on obligations issued by the Authority will be excluded from gross income for federal income tax purposes under Sections 103 and 142 of the Internal Revenue Code of 1986, as amended (the “*Code*”); and

WHEREAS, the total cost of the Project is expected to be approximately \$50,000,000, to be financed by a combination of sources; and

WHEREAS, on the conditions described herein, and subject to the availability of adequate credit enhancement, the Authority is willing to issue up to \$27,000,000 of its notes and/or bonds to provide for acquisition and construction of the Project (the "**Bonds**"); and

WHEREAS, the Authority has presented to the Commissioners its Petition dated as of October 23, 2020 (the "**Petition**"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds and which requests an allocation of private activity bond volume cap from the South Carolina State Fiscal Accountability Authority pursuant to Section 146 of the Code and Section 1-11-500 *et. seq.* Code of Laws of South Carolina, 1976, as amended (the "**Allocation Act**"); and

WHEREAS, the Authority desires to formally indicate its present intent to provide such assistance to the Applicant through the proceeds of its notes or bonds pursuant to the Enabling Act but subject to the terms and conditions hereof;

NOW, THEREFORE, be it resolved by the Authority as follows:

SECTION 1. *Undertakings of Authority.* In the event the Applicant meets the requirements set forth herein, the Authority will undertake:

(a) to issue the Bonds under the provisions of the Enabling Act in the amount necessary to fund one or more mortgage loans to the Applicant, either directly, by purchase, or through a mortgage lender, in an amount of not exceeding \$27,000,000 to provide funds for the acquisition of the Site and the construction and equipping of the Project;

(b) to petition the South Carolina State Fiscal Accountability Authority for (i) an allocation of private activity bond volume cap under Section 146 of the Code, and (ii) approval of the undertakings of the Authority hereunder;

(c) to request the City and the County in accordance with the provisions of Section 147(f) of the Code, to approve the proposal of the Authority to issue the Bonds; and

(d) to do all things reasonably appropriate to seek the approval of the State Fiscal Accountability Authority and the County.

Any obligation of the Authority hereunder is subject to (a) the requirements that (i) the Project receive such approval, if any, as is required under the Enabling Act, (ii) that any bonds not secured by an external credit enhancement and rated at least "**investment grade**" by at least one of the nationally recognized municipal bond rating agencies be acquired solely as an investment by institutional investors for their own account, and (iii) the notes or bonds of the Authority be approved by the South Carolina State Fiscal Accountability Authority; (b) the payment of an acceptable fee to compensate the Authority for the services of its staff and for its participation in the transaction; and (c) the right of the Authority, in its sole discretion, to rescind this resolution and elect not to issue such notes or bonds or fund such mortgage loan or loans at some future date.

SECTION 2. *Filing of Petition.* The Executive Director, acting Executive Director and the staff of the Authority are hereby authorized and directed to execute and deliver a Petition to the South Carolina

State Fiscal Accountability Authority requesting an allocation of private activity bond volume cap for the Bonds under Section 146 of the Code and the Allocation Act, and a Petition for approval of the Bonds under Sections 13-3-90 and 31-13-220 Code of Laws of South Carolina, 1976, as amended and to take such other action as is necessary or desirable to effect the purposes hereof without further action by the Commissioners, provided, however, that no Bonds shall be issued hereunder until the Commissioners have adopted a further resolution approving the terms and conditions thereof.

SECTION 3. *Obligations of Applicant.* In order to utilize the authorization referred to herein, the Applicant shall enter into agreements or documents containing the following agreements:

(a) to make the Project available for occupancy by persons in the beneficiary classes, as provided for in the Enabling Act, 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;

(c) to enter into a mortgage loan agreement or agreements with respect to the Project on such terms and conditions as the Authority may deem necessary or desirable;

(d) to pay all costs and expenses incurred by the Authority which are either (i) ordinary costs and expenses of the Authority or its counsel, or (ii) approved in advance by the Applicant, including the Authority's reasonable counsel fees and the Authority's other reasonable fees and expenses as set forth in the Authority's Guidelines for the Issuance of Bonds, in furtherance of the undertakings of the Authority hereunder, regardless of whether any bonds or notes are issued with respect to the Project;

(e) to provide the Authority with such information and material with respect to the 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 the Project or any other such items as may be required by the Authority;

(f) to enter into such agreements, execute such documents and provide such proofs or evidence as the Authority may, in its sole discretion, request in connection with its undertakings hereunder; and

(g) to make no use of the proceeds of the mortgage loan that is prohibited by the Code or the Enabling Act, or that will jeopardize the exclusion of the interest income paid on the Bonds from the gross incomes of the recipients thereof.

SECTION 4. *Termination.* The Authority or the Applicant may elect not to proceed with the Project or any issue of notes or bonds hereunder. The Authority shall not be obligated hereby to the Applicant or any other person by virtue of the adoption of this resolution. Neither the Applicant nor any other person shall have the right hereunder and the Authority shall not be liable in any way to the Applicant or such other person for any decision it makes not to proceed hereunder regardless of any action taken by the applicant or such other person whether known or unknown to the Authority.

SECTION 5. *Amendment.* 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 Authority.

SECTION 6. Official Action--Reimbursement. It is the intention of the Authority that this resolution shall constitute an official action by the Authority evidencing its present intent within the meaning of the applicable regulations of the United States Department of the Treasury relating to the issuance of obligations under Section 142 of the Code. In the event the Applicant pays expenditures incurred prior to the date of the issuance of the Bonds, and the Authority issues the Bonds, the Authority will permit Applicant to be reimbursed for such expenditures from the proceeds of the Bonds.

SECTION 7. Transfer. The rights of the Applicant under this resolution are intended to be for the benefit of the Applicant, or any entity affiliated with the Applicant and may be transferred by the Applicant to any such party controlled by the Applicant or, with the consent of the Authority, to any other person. No other transfer of this resolution shall be valid or binding upon the Authority.

Done in meeting duly assembled this ^{20TH} day of October, 2020.

**HOUSING AUTHORITY OF THE CITY OF
SPARTANBURG, SOUTH CAROLINA**


Chairman

(SEAL)

ATTEST:


Secretary

HSB 6506246 v.3

A RESOLUTION

APPROVING THE ISSUANCE BY SPARTANBURG HOUSING OF ITS NOT TO EXCEED \$27,000,000 MULTIFAMILY HOUSING REVENUE BONDS (HOPE ROAD PROJECT) SERIES 2022 PURSUANT TO SECTION 147(F) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Hope Road Development LP, a South Carolina limited partnership, or its successors or assigns (the "**Borrower**"), has represented to Spartanburg Housing, a body corporate and politic duly organized and validly existing under the laws of the State of South Carolina ("**Spartanburg Housing**"), and the City Council (the "**City Council**") of the City of Spartanburg, South Carolina (the "**City**") that it desires to acquire approximately 27.39 acres of real property located at 1304 Frey Springs Lane in the unincorporated area of Spartanburg County, South Carolina (the "**Site**"), and construct thereon such improvements for 192 three (3) and four (4) bedroom residential rental units to be occupied by members of Spartanburg Housing's beneficiary classes (as defined in Sections 31-13-160 through 31-13-330 of the Code of Laws of South Carolina 1976, as amended), including amenities functionally related and subordinate thereto (the "**Project**"); and

WHEREAS, the Borrower has further represented to the City Council that substantial cost savings would be recognized by financing the Project through a plan of financing consisting of the issuance by Spartanburg Housing of its multifamily housing revenue bonds, in one or more series, in the aggregate principal amount not to exceed Twenty-Seven Million Dollars (\$27,000,000) (the "**Bonds**") to finance the Project; and

WHEREAS, the Borrower has further represented to the City Council that a portion of the proceeds of the Bonds would be used for the purpose of (a) financing the cost of the land acquisition, construction and equipping of the Project and (b) paying a portion of the costs of financing, including certain reserves, capitalized interest and costs of issuance of the Bonds; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended, including the U.S. Treasury Regulations promulgated thereunder (collectively, the "**Code**"), requires as a condition of exclusion from gross income for federal income tax purposes of the interest on private activity bonds, that the issuance of private activity bonds as defined in Section 141(a) of the Code, such as the Bonds, be approved after a public hearing following reasonable public notice by the governmental unit on behalf of which such Bonds are to be issued (the "**Issuer Approval**") and the governmental unit having geographic jurisdiction over the area in which the Site and Project are located (the "**Host Approval**"); and

WHEREAS, in compliance with the provisions of Section 31-3-40 of the Code of Laws of South Carolina 1976, as amended, Spartanburg Housing and Regional Housing Authority No. 1 (the "**Regional Housing Authority**") entered into a Cooperation Agreement, dated on or about August 23, 2021, which authorized Spartanburg Housing to exercise its powers to issue the Bonds to assist in the financing of the Project within the area of operation of the Regional Housing Authority, including the unincorporated area of Spartanburg County, South Carolina; and

WHEREAS, (i) the City Council constitutes the elected legislative body of the City, and (ii) the Borrower has represented to the City Council that it is the applicable elected representative required to provide the Issuer Approval to approve the issuance of the Bonds for the purpose of financing the Project within the meaning of Section 147(f) of the Code; and

WHEREAS, the Borrower has represented to the City Council that each of Spartanburg Housing and the County Council of the County of Spartanburg, South Carolina (as to the Host Approval), has approved or will approve prior to the issuance of the Bonds, the issuance of the Bonds and the financing of the Project consistent with all applicable requirements of federal and state law (including but not limited to Section 147(f) of the Code); and

WHEREAS, the Borrower has requested the City Council, pursuant to Section 147(f) of the Code, to provide the Issuer Approval to approve the issuance by Spartanburg Housing of the Bonds for the purpose of providing funds to the Borrower to finance the Project; and

WHEREAS, on August 17, 2022, Spartanburg Housing posted on its website a notice of public hearing to be held on August 25, 2022, at 10:00 a.m., or as soon thereafter as such matters may be heard by means of a telephonic meeting conducted by Spartanburg Housing to consider the issuance by Spartanburg Housing of the Bonds and nature of the Project to be financed with a portion of the proceeds of the Bonds; and

WHEREAS, notice of the public hearing was duly published as indicated by the copy of the notice as it appeared on Spartanburg Housing's website attached hereto as Exhibit A; and

WHEREAS, the public hearing was duly held by Spartanburg Housing on August 25, 2022, during which members of the public were afforded the opportunity to express their views on the issuance by Spartanburg Housing of the Bonds and the use of a portion of the proceeds thereof to finance the Project as indicated by the Certificate as to Telephonic Public Hearing attached hereto as Exhibit B.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Councilmembers of the City of Spartanburg, South Carolina, in Council assembled:

Section 1. The issuance by Spartanburg Housing of the Bonds in an aggregate principal amount not to exceed \$27,000,000 for the purpose of providing funds to the Borrower to finance the Project is hereby approved pursuant to and in accordance with Section 147(f) of the Code.

Section 2. A hearing open to the public, and conducted telephonically, pursuant to Internal Revenue Service Rev. Proc. 2022-20, was held on August 25, 2022, for which the Borrower has represented to the City Council that due and reasonable public notice, being published on Spartanburg Housing's website as described above, was given by or on behalf of the Borrower in accordance with the provisions of applicable law and procedures established therefor.

Section 3. Such approval by the City Council shall not be construed as (i) an endorsement of the creditworthiness of Spartanburg Housing, the Borrower or the financial viability of the Project, (ii) a recommendation to any prospective purchaser to purchase the Bonds, (iii) an evaluation of the likelihood of the repayment of the debt service on the Bonds, or (iv) approval of any building or other regulatory permits relating to the Project, and the City Council shall not be construed by reason of its adoption of this Resolution to make any such endorsement, finding or recommendation, to have waived any rights of the City, or to have caused the City to be estopped from asserting any rights or responsibilities it may have in such regard. Further, the Bonds shall not constitute an indebtedness of the State of South Carolina, the City or any political subdivision thereof, but shall be payable solely from revenues of the Borrower pledged to the payment of the Bonds. The approval by the City Council of the issuance of the Bonds by Spartanburg Housing to finance the Project shall not be construed to obligate the City to incur any liability, pecuniary or otherwise, in connection with either the issuance of the Bonds or the acquisition, construction or equipping of the Project.

Section 4. This Resolution shall take effect immediately upon its adoption.

Section 5. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision shall, for any reason, be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 6. That all ordinances, resolutions or orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby superseded.

DONE AND RATIFIED this 12 day of September, 2022.

(SEAL)

**CITY OF SPARTANBURG,
SOUTH CAROLINA**

By: Jerome Rice

Jerome Rice
Mayor

ATTEST:

Connie M. Zellner
CITY CLERK

APPROVED AS TO FORM:

Paul P. Culp
CITY ATTORNEY

A RESOLUTION

GRANTING APPROVAL TO THE ISSUANCE BY SPARTANBURG HOUSING OF ITS MULTIFAMILY HOUSING REVENUE BONDS (HOPE ROAD PROJECT) SERIES 2022 IN ACCORDANCE WITH THE DECEMBER 17, 2020 SFAA APPROVAL OF A CEILING ALLOCATION IN THE AMOUNT OF \$27,000,000

WHEREAS, Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended, including Section 31-13-90 (the "*Act*"), provides that, upon the approval of the State Fiscal Accountability Authority (the "*SFAA*"), Spartanburg Housing (the "*Authority*") may issue from time to time bonds or notes for the purpose of obtaining funds with which to make construction and permanent mortgage loans to housing sponsors who agree to and shall be required to provide for construction and/or rehabilitation of residential housing for rental by persons or families of either beneficiary class (as defined in the Act) (the "*Beneficiary Class*"); provided, however, that with respect to any particular issue of bonds or notes, one of the following conditions must be met: (a) if there is a public distribution of the bonds or notes, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of such loans; or (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; or (iii) the payment of the bonds or notes to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the SFAA; or (b) if the bonds or notes 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 buyers, or other nonregistered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina 1976, as amended, the documents pursuant to which the bonds or notes are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds or notes; and

WHEREAS, the Authority presented to the SFAA its Petition dated October 20, 2020 (the "*Allocation Petition*"), which, together with the schedules thereto attached, set forth certain information with respect to the Authority's Multifamily Housing Revenue Bonds (Hope Road Project) Series 2022 in the principal amount not to exceed \$27,000,000 (the "*Bonds*"); and

WHEREAS, on December 17, 2020, the SFAA approved the Allocation Petition and ceiling allocation of the State of South Carolina's volume limitation with respect to private activity bonds under Section 146 of the Internal Revenue Code of 1986, as amended imposed by the Tax Reform Act of 1986, for the Bonds and approved that the allocation be designated for carryforward for use in subsequent years.

WHEREAS, the Authority presented to the SFAA its Petition dated September 14, 2022 (the "*Approval Petition*"), which, together with the schedules thereto attached, set forth certain information with respect to the Bonds; and

WHEREAS, the following were submitted with the Approval Petition in response to the requirements of Section 31-13-220 of the Act, certain of which are pro forma schedules because the Bonds have not been priced or sold as of the date of this Resolution, to wit:

- (i) a pro forma (in lieu of final schedules) of the principal amount of the Bonds to be issued;
- (ii) a pro forma (in lieu of final schedules) of the maturity schedule of the Bonds to be issued;
- (iii) schedules showing the annual debt service requirements on all outstanding notes and bonds of the Authority;
- (iv) schedules showing the amount and source of revenues available for the payment of the debt service requirements established by the schedule referenced in item (iii);
- (v) the method to be employed in selling the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE FISCAL ACCOUNTABILITY AUTHORITY IN MEETING DULY ASSEMBLED:

Section 1. The SFAA hereby finds and determines that the funds estimated to be available for the repayment of the Authority's notes and bonds on a pro forma basis, including the Bonds, will be sufficient to provide for the payment of the principal and interest thereon. Conditional approval is hereby granted by the SFAA to the execution and delivery by the Authority of the Bonds in the principal amount not to exceed \$27,000,000.

Section 2. The approval of the SFAA is hereby conditioned on the following:

(a) Following the pricing or sale of the Bonds, but prior to closing and issuance of the Bonds, the approval of the State Treasurer of the interest rate or rates on the Bonds and of the form and substance of such documents as he deems necessary therefor;

(b) Following the pricing or sale of the Bonds, but prior to the closing and issuance of the Bonds, the Authority shall have provided to the State Treasurer, to the extent not previously provided, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (i) the final principal amount of the Bonds to be issued;
- (ii) the final maturity schedule of the Bonds to be issued;
- (iii) schedules showing the annual debt service requirements on all outstanding notes and bonds of the Authority;
- (iv) schedules showing the final amount and source of revenues available for the payment of the debt service requirements established by the schedule referenced in item (iii);
- (v) the method to be employed in selling the Bonds.

(c) Following the pricing or sale of the Bonds, but prior to the closing and issuance of the Bonds, the State Treasurer shall find and determine, based solely on his review of the documents described in clauses (i) through (v) above, 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; and

(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 Housing Sponsor (as defined in the Allocation Petition and the Approval Petition).

Section 3. This Resolution shall take effect immediately upon its adoption.

_____, 2022

Board of Commissioners
Spartanburg Housing
170 Arch Street
Spartanburg, South Carolina 29303

Re: \$27,000,000 Spartanburg Housing, Multifamily Housing Revenue Bonds (Hope Road Project)
Series 2022

Ladies and Gentlemen:

As bond counsel to Spartanburg Housing (the “**Issuer**”) we have examined the Transcript of Proceedings and other proofs submitted to us, including the Constitution and Statutes of the State of South Carolina, in relation to the issuance by the Issuer of its \$27,000,000 Multifamily Housing Revenue Bonds (Hope Road Project), Series 2022 (the “**Bonds**”). The Bonds are issued pursuant to the provisions of (i) Act No. 369 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina 1986 and Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended (collectively, the “**Act**”), (ii) a Trust Indenture, dated as of _____, 2022 (the “**Trust Indenture**”), between the Issuer and U.S. Bank Trust Company, National Association as trustee (“**Trustee**”) and Hope Road Development LP, a South Carolina limited partnership (the “**Housing Sponsor**”), (iii) a Loan Agreement, dated as of _____, 2022 (the “**Loan Agreement**”), between the Issuer and the Housing Sponsor, (iv) a Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated as of _____, 2022 (the “**Mortgage**”), between the Issuer and the Housing Sponsor, and (v) a resolution (the “**Resolution**”) adopted by the Board of Commissioners of the Issuer authorizing the issuance and sale of the Bonds. Pursuant to the Trust Indenture, the Issuer will make a mortgage loan (the “**Loan**”) to the Housing Sponsor to be used to provide financing for the acquisition and construction of a multifamily rental housing development (the “**Project**”) described in the Trust Indenture and the Loan Agreement. Under the Trust Indenture, the Housing Sponsor has agreed to make the payments to or on behalf of the Issuer sufficient to pay, in the aggregate, the principal of, premium, if any, and interest on the Bonds, as well as other payments, property, and revenues pledged to the payment thereof under the Trust Indenture and the Loan Agreement (collectively, the “**Security**”).

The Project is subject to an Agreement as to Restrictive Covenants (the “**Regulatory Agreement**”) between the Housing Sponsor and the Issuer, and the Borrower Tax Certificate and the Non-Arbitrage Certificate, each dated the date hereof (together, the “**Tax Agreement**”), from the Housing Sponsor and the Issuer, respectively. The Trust Indenture, the Loan Agreement, the Regulatory Agreement, and the Tax Agreement contain covenants that include requirements regarding the application and investment of the proceeds of the sale of the Bonds, the use and occupancy of the residential units of the Project, and the rebate of certain investment proceeds to the United States government.

With respect to the power of the Housing Sponsor to enter into and perform its obligations under the Trust Indenture and the other documents to which it is party, the due authorization, execution, and delivery of the Trust Indenture and the other documents by the Housing Sponsor, and the validity and enforceability thereof against the Housing Sponsor, we have relied on the opinion of Troutman Pepper, as counsel to the Housing Sponsor of even date herewith.

As to questions of fact material to our opinion, we have relied upon representations of and compliance with covenants by the Housing Sponsor and the Issuer contained in the Trust Indenture, the Loan Agreement, the Regulatory Agreement, the Tax Agreement, certificates of public officials furnished to us, and certificates of representatives of the Housing Sponsor, the Issuer, and other parties, in each case, without undertaking any independent verification, although nothing has come to our attention to lead us to believe we are not justified in so relying. We have assumed that all signatures on documents, certificates, and instruments examined by us are genuine; all documents, certificates, and instruments submitted to us as originals are authentic; and all documents, certificates, and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates, and instruments relating to this financing have been duly authorized, executed, and delivered by all parties thereto other than the Issuer, and we have further assumed the due organization, existence, and powers of such other parties other than the Issuer.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of any offering material relating to the Bonds and we express no opinion relating thereto.

Based on the foregoing, as of the date hereof we are of the opinion, under existing law, as follows:

1. The Issuer is validly existing as a body corporate and politic of the State of South Carolina with the corporate power to enter into and perform its obligations under the Trust Indenture and the Loan Agreement and to issue the Bonds.
2. The Trust Indenture and the Loan Agreement have been duly authorized, executed, and delivered by the Issuer, and (assuming due authorization, execution, and delivery thereof by the other parties thereto) are valid and binding agreements of the Issuer enforceable against the Issuer in accordance with their terms.
3. The Bonds have been duly authorized and executed by the Issuer, and are valid and binding limited obligations of the Issuer, payable solely from the Security. The Bonds are not a general obligation or an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation, and do not constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit, but are payable solely from the Security.
4. Interest on the Bonds is exempt from South Carolina income taxation; and (a) interest on the Bonds is excludable from gross income for federal income tax purposes, except for interest on any Bonds for any period during which such Bonds are held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "**Code**") and (b) is not an item of tax preference for purposes of the federal alternative

minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Furthermore, it should be noted that Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed on the entire net income of such bank, which includes interest on the Bonds. The opinion set forth in this paragraph is subject to the condition that the Issuer and the Housing Sponsor comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal and South Carolina income tax purposes. Failure to comply with certain of the requirements could cause the interest on the Bonds to be so included in gross income retroactively to the date of issuance of the Bonds. The Issuer and the Housing Sponsor have covenanted to comply with all such requirements.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds, the Trust Indenture and the Loan Agreement are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity. Certain indemnity provisions may be unenforceable pursuant to court decisions invalidating such indemnity agreements on grounds of public policy.

We express no opinion regarding the perfection or priority of the lien on the Security under the Trust Indenture.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning, or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include original issue premium, purchase at market discount or at a premium, taxation upon sale, redemption, or other disposition, and various withholding requirements.

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.

Our services as Bond Counsel have been limited to rendering the foregoing opinions based on our review of such legal proceedings as we deem necessary to make the statements contained in this letter with respect to the validity of the Bonds and the tax-exempt status of the interest on the Bonds. We have not examined any documents or other information concerning the business or financial resources of the Issuer or the Housing Sponsor, and we express no opinion as to the accuracy or completeness of any information with respect to the Issuer or the Housing Sponsor that may have been relied upon by the purchaser of the Bonds in making its decision to purchase the Bonds.

Very truly yours,



SOUTH CAROLINA OFFICE OF THE STATE AUDITOR
1401 Main Street, Suite 1200 • Columbia, SC 29201

September 23, 2022

Mr. Delbert H. Singleton, Jr., Authority Secretary
South Carolina State Fiscal Accountability Authority
Wade Hampton Building, Suite 600
Columbia, South Carolina 29201

Re: Not to exceed \$27,000,000 Spartanburg Housing Multifamily Housing Revenue Bonds
(Hope Road Project), Series 2022

Dear Mr. Singleton:

We have reviewed the information provided to us for the Hope Road project (Project) of the Spartanburg Housing Authority (Housing Authority). We understand that the bond proceeds will be used to finance land acquisition, construction of affordable rental housing, and pay the costs of bond issuance.

In lieu of providing financial statements, Hope Road Development LP, the housing sponsor, has provided a representation from the institution purchasing the bonds that satisfactory financial information has been provided and that the bonds are being purchased for investment rather than resale purposes. Given the private placement of the bonds, we find no reason for the State Fiscal Accountability Authority to disapprove the petition.

We have also reviewed schedules showing the annual debt service requirements of the proposed bonds and all other outstanding bonds of the Housing Authority, as well as the amount and source of revenues available annually for their payment. Based upon our analysis of the information provided to us, we believe the funds estimated to be available for the repayment of the proposed bonds will be sufficient to provide for the payment of the principal and interest on those bonds as they become due.

If you have questions or need additional information, please contact me at 803-253-8929 or gkennedy@osa.sc.gov.

Sincerely yours

George L. Kennedy, III, CPA
State Auditor



ALAN WILSON
ATTORNEY GENERAL

October 11, 2022

Mr. Delbert H. Singleton, Jr.
Authority Secretary
South Carolina State Fiscal Accountability Authority
612 Wade Hampton Office Building
Columbia, South Carolina 29201

Re: Not to Exceed \$27,000,000 Spartanburg Housing Multifamily Housing Revenue
Bonds (Hope Road Project) Series 2022

Dear Mr. Singleton:

Regarding the above-referenced bond issuance, I have reviewed the following documents forwarded to the Office of the Attorney General by the South Carolina State Fiscal Accountability Authority (the "SFAA") as required by Regulation 19-104.02(A):

- (i) The Spartanburg Housing Resolution (the "Resolution");
- (ii) the Petition;
- (iii) the documents providing for the issuance and securing of the bonds; and
- (iv) the proposed SFAA resolution.¹

Based on the analysis below, I find these documents to be legally adequate.²

The requirements for the Petition and Resolution are found in Regulation 19-104.01(A) and (B), respectively. I find that the Petition and Resolution meet their respective requirements, and are therefore legally adequate.

¹ Regulation 19-104.02 references the Budget and Control Board. However, the State Fiscal Accountability Authority, which was established by the Restructuring Act of 2014, Act 121, now approves local housing authority bond proposals.

² In the context of this letter, the Office of the Attorney General defines "legally adequate" as meeting the regulatory or statutory requirements discussed herein.

Mr. Delbert H. Singleton, Jr.

Page 2

October 11, 2022

Regarding the documents providing for the issuance and securing of the bonds, based upon the analysis and opinion provided in the October 25, 2022 letter from Haynsworth Sinkler Boyd, P.A., I find that if the documents defined as the "Transaction Documents" are approved in their current form and become legally effective, they would be legally adequate.

The requirements for the proposed SFAA resolution are found in Regulation 19-104.01(E) and S.C. Code Ann. §31-13-90, which provides that the SFAA "shall determine that the funds estimated to thereafter be available for the repayment of the Authority's notes and bonds . . . will be sufficient to provide for the payment of the principal and interest on the Authority's notes and bonds thereafter to be outstanding as they become due...". I find that the proposed SFAA resolution meets this requirement by conditioning its approval upon the State Treasurer finding 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. Therefore, if it is approved in its current form and becomes legally effective, I find that the proposed SFAA resolution would meet the requirements of Regulation 19-104.01(E) and S.C. Code Ann. §31-13-90 and therefore would be legally adequate.

This review was conducted solely to determine if the above-referenced documents are legally adequate as required by Regulation 19-104.02(A). This letter addresses only the question of whether the documents appear to meet the conditions imposed by the laws and regulations discussed above that certain specific matters be included in the documentation. No finding is made as to any other matters, including whether the Petition should be approved as a matter of policy, or the financial advisability or wisdom of approving the Petition.

Office of the Attorney General

By: Harley L. Kirkland
Harley L. Kirkland
Assistant Deputy Attorney General



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

Bonita H. Shropshire
Executive Director

September 15, 2022

RE: Preliminary Determination of State Tax Credit
Hope Road Apartments # 42139

Dear Mr. Fetcher:

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 \$2,017,035.00, and a total allocation amount for the ten-year credit period not to exceed \$20,170,350.00. 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

CERTIFICATE OF THE ALLOCATING AGENCY

HOPE ROAD APARTMENTS PROJECT

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

As provided in the 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 Hope Road Apartments Project (the "Project") be carried out in the manner described in the Project's application, the Project will be a project described by the 2021 QAP as required by the provisions of Section 42(m)(1)(D) of the Internal Revenue Code of 1986, as amended (the "Code"). The above statement is predicated upon the assumption contained therein. A final determination as to whether or not the Project will be a project described in the 2021 QAP cannot be made until such time as the Project has been completed, placed in service, and has submitted an application to receive an allocation of Tax Credits; and

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

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

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

By: Bonita Shropshire
Bonita Shropshire, Executive Director

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF November 9, 2022

ITEM NUMBER 15

AGENCY: State Fiscal Accountability Authority

SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 10:00 a.m. on Tuesday, December 13, 2022, in Room 252, Edgar A. Brown Building.

AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, December 13, 2022, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: