STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Wednesday, August 19, 2026 – 10:00 a.m.
Room 252, Edgar A. Brown Building

REGULAR SESSION AGENDA INDEX -- Page 1

Item	Agency	Subject
A.	**MEETING OF STATE FISCAL ACCOUNTABILITY AUTHORITY**	
B.	**ADOPTION OF PROPOSED AGENDA**	
C.	**MINUTES OF PREVIOUS MEETING**	
D.	**REGULAR SESSION**	
1.	State Treasurer's Office	Bond Counsel Selection
2.	Secretary of State	Notice of Expenditure of Funds
3.	Department of Administration, Facilities Management and Property Services	Permanent Improvement Projects
4.	Department of Administration, Facilities Management and Property Services	Vocational Rehabilitation Department – Underslab Plumbing Repair
5.	Department of Administration, Facilities Management and Property Services	Department of Natural Resources - Pickens - Jocassee Gorges HP/WMA Land Acquisition (His Way)
6.	Department of Administration, Facilities Management and Property Services	Easements
7.	Department of Administration, Facilities Management and Property Services	The Citadel, The Military College of South Carolina Lease to The Citadel Alumni Association of 69 Hagood Avenue, Charleston, SC
8.	Department of Administration, Facilities Management and Property Services	South Carolina Department of Health and Human Services Lease of 1323 Celebration Boulevard, Florence, SC

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Wednesday, August 19, 2026 – 10:00 a.m.
Room 252, Edgar A. Brown Building

REGULAR SESSION AGENDA INDEX -- Page 2

Item	Agency	Subject
9.	Department of Administration, Facilities Management and Property Services	Patriots Point Development Authority Assignment of Ground Lease Outs for the Charleston Harbor Resort and Marina, Charleston to 20 Patriots Point Hotel, LLC for the hotels, retail and parking (Hotel Leases) and to Charleston Harbor SMI, LLC for the Marina (Marina Lease)
10.	Division of Procurement Services	Audit and Certification - Coastal Carolina University
11.	Division of Procurement Services	Audit and Certification - Spartanburg Community College
12.	Division of Procurement Services	Audit and Certification - South Carolina Department of Transportation
13.	Division of Procurement Services	Audit and Certification South Carolina Vocational Rehabilitation Department
14.	Division of Procurement Services	Clemson University – Approval of Contract Duration
15.	Department of Administration, Facilities Management and Property Services	University of South Carolina-Columbia – Williams-Brice Stadium Renovation
16.	University of South Carolina and Department of Administration, Facilities Management and Property Services	Williams-Brice Stadium Multi-Use Facilities Renovations and Not Exceeding $84,000,000 University of South Carolina Higher Education Revenue Bonds
17.	Executive Director	South Carolina State Ceiling Allocation Plan - 2027
18.	State Fiscal Accountability Authority	Future Meeting

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

CONDUIT/OTHER ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
$145,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Educational Facilities Revenue Bonds; Libertas Academies; Series 2026	Libertas Academies Conduit: SCJEDA	Howell Linkous & Nettles - Alan Linkous, Sam Howell	Parker Poe - Emily Zackon	7/15/2026
$35,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Educational Facilities Revenue Bonds; Ethos Academy; Series 2026	Ethos Academy Conduit: SCJEDA	Howell Linkous & Nettles - Alan Linkous, Sam Howell	Parker Poe - Emily Zackon	6/17/2026
$45,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Educational Facilities Revenue Bonds; Horse Creek Academy; Series 2026	Horse Creek Academy Conduit: SCJEDA	Howell Linkous & Nettles - Alan Linkous, Sam Howell	Maynard Nexsen - Laurie Becker	6/17/2026
$80,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Economic Development Revenue Bonds; SFRI Ingleside Apartments LLC; Series 2026	SFRI Ingleside Apartments LLC Conduit: SCJEDA	Haynsworth Sinkler Boyd - Jeremy Cook Cantu Harden - Adam Harden	Howell Linkous & Nettles - Alan Linkous, Sam Howell	6/17/2026
$80,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Hospital Revenue Bonds; Conway Hospital; Series 2026	Conway Hospital Conduit: SCJEDA	Burr & Forman - Michael Seezen Katten - Chad Doobay	Howell Linkous & Nettles - Alan Linkous, Sam Howell	5/20/2026

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

$10,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Revenue Notes; Conway Hospital; Series 2026	Conway Hospital Conduit: SCJEDA	Burr & Forman - Michael Seezen Katten - Chad Doobay	Howell Linkous & Nettles - Alan Linkous, Sam Howell	5/20/2026
$105,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Educational Facilities Revenue Bonds; Gray Collegiate Academy, Inc.; Series 2026	Gray Collegiate Academy, Inc. Conduit: SCJEDA	Parker Poe - Emily Luther, Brandon Lewisohn, Mike Larsen, Ryan Romano	Haynsworth Sinkler Boyd - Kathy McKinney, Ashley Long	5/20/2026
$20,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Educational Facilities Revenue Bonds; SC State University Real Estate Foundation; Series 2026	SC State University Real Estate Foundation Conduit: SCJEDA	Burr & Forman - Michael Seezen	Howell Linkous & Nettles - Alan Linkous, Sam Howell	5/20/2026

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
$84,000,000; University of South Carolina, Higher Education Revenue Bonds; Series 2026	University of South Carolina	Pope Flynn - Gary Pope	Issuer's Counsel to the University of South Carolina - Terry Parham	7/10/2026

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

The State Treasurer advises the State Fiscal Accountability Authority, for informational purposes, of the firms selected and approved for its August 19, 2026 meeting:

CONDUIT/OTHER ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
$145,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Educational Facilities Revenue Bonds; Libertas Academies; Series 2026	Libertas Academies Conduit: SCJEDA	Howell Linkous & Nettles - Alan Linkous, Sam Howell	Parker Poe - Emily Zackon	7/15/2026
$35,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Educational Facilities Revenue Bonds; Ethos Academy; Series 2026	Ethos Academy Conduit: SCJEDA	Howell Linkous & Nettles - Alan Linkous, Sam Howell	Parker Poe - Emily Zackon	6/17/2026
$45,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Educational Facilities Revenue Bonds; Horse Creek Academy; Series 2026	Horse Creek Academy Conduit: SCJEDA	Howell Linkous & Nettles - Alan Linkous, Sam Howell	Maynard Nexsen - Laurie Becker	6/17/2026
$80,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Economic Development Revenue Bonds; SFRI Ingleside Apartments LLC; Series 2026	SFRI Ingleside Apartments LLC Conduit: SCJEDA	Haynsworth Sinkler Boyd - Jeremy Cook Cantu Harden - Adam Harden	Howell Linkous & Nettles - Alan Linkous, Sam Howell	6/17/2026
$80,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Hospital Revenue Bonds; Conway Hospital; Series 2026	Conway Hospital Conduit: SCJEDA	Burr & Forman - Michael Seezen Katten - Chad Doobay	Howell Linkous & Nettles - Alan Linkous, Sam Howell	5/20/2026
$10,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Revenue Notes; Conway Hospital; Series 2026	Conway Hospital Conduit: SCJEDA	Burr & Forman - Michael Seezen Katten - Chad Doobay	Howell Linkous & Nettles - Alan Linkous, Sam Howell	5/20/2026
$105,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Educational Facilities Revenue Bonds; Gray Collegiate Academy, Inc.; Series 2026	Gray Collegiate Academy, Inc. Conduit: SCJEDA	Parker Poe - Emily Luther, Brandon Lewisohn, Mike Larsen, Ryan Romano	Haynsworth Sinkler Boyd - Kathy McKinney, Ashley Long	5/20/2026
$20,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Educational Facilities Revenue Bonds; SC State University Real Estate Foundation; Series 2026	SC State University Real Estate Foundation Conduit: SCJEDA	Burr & Forman - Michael Seezen	Howell Linkous & Nettles - Alan Linkous, Sam Howell	5/20/2026

GENERAL OBLIGATION / REVENUE ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
$84,000,000; University of South Carolina, Higher Education Revenue Bonds; Series 2026	University of South Carolina	Pope Flynn - Gary Pope	Issuer's Counsel to the University of South Carolina - Terry Parham	7/10/2026

STATE FISCAL ACCOUNTABILITY AUTHORITY REGULAR SESSION

MEETING OF August 19, 2026 ITEM NUMBER 2

AGENCY: Secretary of State

SUBJECT: Notice of Expenditure of Funds

Pursuant to S.C. Code Ann. Section 1-11-470, Secretary of State Mark Hammond has advised the Authority that he will be expending funds to purchase radio and television public service announcements. The radio and television announcements will be used for a public awareness campaign on charitable solicitations fraud. Secretary Hammond requests approval to spend $65,000 for radio and television public service announcements that will begin in late Fall of 2026. The funds are from administrative fees and fines issued by the Secretary of State pursuant to the Solicitation of Charitable Funds Act, Code Section 33-56-160. Approval of the request must be by unanimous vote of the Authority.

Last year, the Authority approved Secretary Hammond's request for the expenditure of $60,000 for public service announcements at its August 26, 2025, meeting. The exact amount spent for last year's campaign was $59,998.83.

AUTHORITY ACTION REQUESTED:

Approve a request from Secretary of State Mark Hammond to use funds to purchase radio and television public service announcements not to exceed $65,000 for a public awareness campaign on charitable solicitations fraud. The Authority must approve the request to use the funds for such purposes by unanimous vote.

ATTACHMENTS:

Dunlap 7/1/26 letter; Code Sections 1-11-470 and 33-56-160

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

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

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

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

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

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

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

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

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

1205 PENDLETON STREET, SUITE 525
COLUMBIA, SC 29201

803-734-2170
www.sos.sc.gov

July 1, 2026

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

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

Dear Mr. Singleton:

Secretary Hammond is requesting to appear before the State Fiscal Accountability Authority on August 18, 2026, for approval to use funds for radio and television public service announcements. Secretary Hammond is the administrator of the Solicitation of Charitable Funds Act, and the Secretary of State's Office is responsible for protecting charitable donors from unscrupulous charities and professional fundraisers. Pursuant to S.C. Code §1-11-470, a constitutional officer must receive the approval from the Authority to spend appropriated funds to purchase radio or television space with unanimous approval of the Authority. Pursuant to S.C. Code §33-56-160, all fees collected under the Solicitation of Charitable Funds Act. These funds must be deposited in a fund separate and distinct from the state general fund and are to be used by the Secretary of State for the purpose of administering the Act. Secretary Hammond requests to appear before the Authority for approval out of a desire for transparency

The public service announcement will again highlight the Secretary's Give Smart SC mobile phone application. The mobile app is free on the Apple App store or the Google Play App store. The Give Smart SC mobile phone app provides immediate access to information on charitable organizations to confirm that the charity is registered with the Secretary of State's Office. In addition, it provides the ability to review the charitable organization's most recent financial report, which shows revenue and expenses. It also makes available to the public the percentage of expenses devoted to its program services during the reported year. As of June 26, 2026, there were 19,281 charitable organizations registered with the Secretary of State's Office. Last year, 16,883 charitable organizations

were registered at this same time. As the number of charitable organizations continues to increase in South Carolina, the Secretary of State's Office remains committed to educating the public and providing the tools to inform donors about wise charitable giving.

For the Give Smart FY 2025-26 public service announcement, the Secretary of State's Office spent $59,998.83 out of the $60,000 approved in 2025. Secretary Hammond is requesting approval to spend $65,000 on the public service announcement that would begin in late Fall 2026. This small increase would help support increased costs and assist with changes planned for a new public service announcement next year. I would appreciate it if you would place this item on the agenda for the SFAA's August 18, 2026, meeting.

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

Sincerely,

Melissa Dunlap

Melissa Dunlap
Deputy Secretary of State & Chief Legal Counsel

AGENCY: Department of Administration, Facilities Management and Property Services

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, Facilities Management and Property Services as noted herein. All items were reviewed favorably by the Joint Bond Review Committee (JBRC).

(a) Project: JBRC Item 1: Clemson University
H12.9976: Martin Hall Site Redevelopment

Request: Establish Phase I Pre-Design Budget to complete site improvements and demolish and reconstruct a replacement building.

Included in CPIP: Yes – 2025 CPIP Priority 1 of 1 in FY28 (estimated at $107,500,000) &
2025 CPIP Priority 5 of 6 in FY27 (estimated at $12,000,000)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Maintenance & Stewardship				5,000,000	5,000,000
All Sources				5,000,000	5,000,000

Summary of Work: The project will demolish the existing building, address aging storm, sewer and steam infrastructure, and construct a replacement building. The new building will provide modern instructional spaces to include one 192-seat auditorium, four 48-seat classrooms, nine 45-seat SCALE-UP classrooms, one 56-seat tiered classroom, one 135-seat SCALE-UP classroom, and one Math Help Center. This project will also replace, reroute or renovate sections of the storm water, wastewater, steam/chilled water, and electrical systems in the area near President's Park/Parkway Drive in proximity to core campus facilities including Sikes Hall, Long Hall, Kinard Hall, Martin Hall, amphitheater, and Reflection Pond. Hardscape improvements will be completed, and site lighting will be installed to create or improve accessible pedestrian pathways. All roofing material options will be evaluated during the Phase I process. The new building will be designed to meet Two Green Globes certification standards.

Rationale: Martin Hall consists of three buildings connected by exterior stairs that are covered but exposed to the elements, creating slippery and dangerous conditions for students and faculty moving between buildings during rain. In addition, the stairs are compact and become congested when students are going to and from class, and there are very few gathering spaces for students and faculty. The instructional spaces are insufficient and undersized, and do not adequately support modern teaching delivery methods. The building systems are at the end of their useful life. The replacement facility will include Student-Centered Active Learning

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

Environments (SCALE-UP) classrooms designed to support active, collaborative, student-centered instruction rather than traditional lecture-based teaching. These learning environments are intended to improve learning outcomes and reduce drop-fail-withdraw rates. Additionally, the mechanical, electrical, and plumbing systems are all reaching end-of-life status. This project is a campus redevelopment initiative that addresses the end-of-life building systems, exterior envelope deficiencies, and life-safety concerns of Martin Hall as well as broader campus opportunities to enhance accessibility, pedestrian circulation, infrastructure resilience, student experience, long-term campus planning needs, and future academic growth.

Facility Characteristics: Martin Hall is 90,816 square feet and was constructed in 1962 (64 years old). It has been well maintained but has not had a significant renovation since construction. The replacement facility will be constructed in the Sikes Hall parking lot which is adjacent to the existing Martin Hall and will be approximately 98,000 square feet. It will house the School of Mathematics & Statistical Sciences (SMSS) which produces the highest number of credit hours of any program at Clemson. Most undergraduate students will utilize this building for at least one semester during their academic career. The building will be primarily instructional space and will support up to 980 students in classes at one time. As a program that generates over 60,000 credit hours annually, SMSS will support thousands of students utilizing this building daily. The building will support approximately 110 faculty and staff and up to 160 graduate teaching assistants.

Financial Impact: This phase of the project will be funded from Other, Maintenance & Stewardship Funds (uncommitted balance $168 million at May 14, 2026). Maintenance and Stewardship Funds are comprised of tuition, matriculation and other debt retirement and plant fund revenues that are restricted to support capital investment but not formally obligated to fund debt service in the current period. These funds are planned for maintenance and renovation needs. The project is expected to result in an increase of $63,052 (year 1), $64,313 (year 2), and $65,600 (year 3) in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $1,005 per student per semester, and has not changed between academic years 2022-2023 to 2026-2027. Currently pledged for debt service is $303.50 of the $1,005. The remainder of the fee, $701.50, funds ongoing capital projects and maintenance.

Full Project Estimate: $136,478,394 (internal). Phase II will be funded from $68,250,000 in State Institution Bonds and $68,228,394 in Maintenance & Stewardship Funds. The Phase I amount requested is 3.66% of the estimated cost to complete the project and the additional amount will be used to cover the Construction Manager at Risk procurement method and the cost of a geotechnical investigation and survey.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(b) Project: JBRC Item 3: Coastal Carolina University
H17.9635: Pedestrian Walkway Construction

Request: Establish Phase I Pre-Design Budget to construct a pedestrian walkway.

Included in CPIP: Yes – 2025 CPIP Priority 3 of 9 in FY26 (estimated at $11,500,000)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY25 Capital Reserve (7), (Pedestrian Walkway)				300,000	300,000
All Sources				300,000	300.000

Summary of Work: The project will construct a pedestrian walkway crossing over South Carolina Highway 544 (SC-544).

Rationale: This state roadway carries approximately 37,300 vehicles each day, creating significant safety challenges for pedestrians. Many students living in nearby off-campus housing must cross SC-544 to reach campus. A recent campus mobility study recommended building a pedestrian walkway near Founders Drive. A pedestrian walkway will remove the need for street-level crossings. It will also improve access to campus facilities such as athletic, academic, and event venues frequently used by residents of Horry County and surrounding communities. Any Phase 1 pedestrian bridge design work will be fully transferable to another location if the contemplated parcel is not ultimately acquired.

Facility Characteristics: The pedestrian walkway to be constructed will be an open-air bridge structure. The elevated pedestrian walkway will serve all students, faculty, staff, and visitors who cross SC-544. Based on the university's recent mobility study, the Founders Drive and SC-544 intersection experiences sustained multimodal activity throughout the day. The study documented more than 400 vulnerable road users during the AM peak (7:30–9:30 AM), nearly 600 during the midday peak (11:30 AM–1:30 PM), and almost 400 during the PM peak (3:30–5:30 PM). These three peak periods alone account for approximately 1,400 individual users per day. Because these counts represent only the highest-volume windows—and do not include early-morning, late-evening, or off-peak daytime travel—the total daily usage is expected to exceed this number.

Financial Impact: This phase of the project will be funded from FY25 Capital Reserve Funds (uncommitted balance $5 million at May 19, 2026). The project is expected to result in an increase of $140,062 (year 1), $144,264 (year 2), and $148,592 (year 3) in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. While not being utilized to fund this project, a portion of tuition is designated for Renovation Reserve and Debt Service allocations, currently $210 (in-state) per student per semester and $475 (out-of-state) per student per semester. In academic year 2022-2023, the portion of tuition designated

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

for capital improvements was $405 (in-state/out-of-state). In 2024, the tuition structure was revised so that the portion allocated to capital improvements is no longer a flat amount applied equally to all students. Instead, the Renovation Reserve and Debt Service allocations were adjusted. They were reduced for in-state students and increased for out-of-state students so that each group contributes a similar percentage of their total tuition toward capital project improvements. As a result, capital improvement funding is more proportional and equitable relative to overall tuition. Currently, $140 (in-state) and $290 (out-of-state) are pledged for debt service per student per semester. The remainder of the fee, $70 (in-state) and $185 (out-of-state), funds ongoing capital projects and maintenance.

Full Project Estimate: $11,000,000 (internal). Phase II will be funded from $5,000,000 in Capital Reserve, $5,000,000 in Community Project Funding Grant, and $1,000,000 in Penny Sales Tax Funds. The Phase I amount requested is 2.72% of the estimated cost to complete the project and the additional amount will be used to cover substantial preliminary engineering, utility mapping, right-of-way assessment, and SCDOT coordination that is required due to the complexity and designing a pedestrian bridge over a state highway.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(c) Project: JBRC Item 4: Lander University
H21.9563: Jackson Library Repurposing

Request: Establish Phase II Full Construction Budget to renovate and repurpose the library.

Included in CPIP: Yes – 2025 CPIP Priority 2 of 4 in FY26 (estimated at $10,000,000)
Phase I Approval: November 2022 (estimated at $6,000,000) (Admin)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B)(16), (Maintenance, Renovation and Replacement)	90,000		90,000	5,910,000	6,000,000
All Sources	90,000		90,000	5,910,000	6,000,000

Summary of Work: The project will involve the subdivision of areas on the main/second and upper/third floor of the 3-story building into academic classrooms, offices, student collaboration spaces, and faculty offices. The building's HVAC, electrical power distribution, overhead lighting, fire alarm, restrooms and interior finishes will be upgraded to support building operation on all three floors.

Rationale: The Library Information Commons building is being constructed under project H21-9562. Once completed, all library functions will be relocated to the new facility freeing up 44,000 square feet of space that can be used for classroom and laboratory space. Renovating the vacated space in the library building will allow for the consolidation of the College of Business and Technology programs. Graphic Design and Media Production programs now fall under the College of Business to help these typical art related programs better understand the business side of what they will do and need to be successful in the industry. These programs are currently housed in the Learning Center Building and the Cultural Center Building, which are both outdated and struggle to remain current with the times. Moving these programs to the library building allows the university to lay them out right and upfit them to be current and modern for the program's students. The vacated spaces in the Learning Center will allow the university to put all of their Enrollment Management division together in one place: creating a one-stop for Admissions and Financial Aid. The current Graphic Design lab is a single, overcrowded lab in the Cultural Center that can be converted to a single classroom, capable of holding 40-student classes while the move expands the Graphic Design labs into two rooms allowing them to enroll more students into the high-demand program.

Facility Characteristics: The Jackson Library is 65,000 square feet and was constructed in 1976 (50 years old). Approximately 44,000 square feet on the main/second and upper/third floors will be renovated in this project. Some renovations to the library have been

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

completed between 2001 and 2010, but the building systems are original to construction. The ground/first floor will remain the home of the University Information Technology Center, to include the back-up server room and student IT support services. Additionally, a set of library materials will be archived on this floor for students of the College of Business and Technology for in-depth research and resourcing for papers. Most circulated publications and text will reside in the new Library Information Commons building. An estimated 65 faculty and staff utilize this space daily. The existing Starbucks on the main/second floor is operated by Aramark under their Retail and Dining contract and will remain unchanged. The main/second and upper/third floor will house computer labs, classrooms, offices, and casual student gathering areas. An estimated 650 students, faculty and staff will utilize the space daily. Collectively, the building's daily average occupancy is estimated to be 715 people.

Financial Impact: The project will be funded from FY23 Appropriated State (nonrecurring) Funds (uncommitted balance $5.91 million at May 14, 2026). The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. Currently, there is no portion of tuition designated for capital improvements.

Full Project Estimate: $6,000,000 funded from Appropriated State (nonrecurring) Funds. The estimated cost to complete the project has decreased from the 2025 CPIP because the Phase I design was successful in taking advantage of existing building conditions, rather than defaulting to a significant demolition phase. The project will be completed with the funding available and will renovate a large portion of the building to meet the needs of the program and help with the infrastructural needs of the building. Long term, the university anticipates submitting future funding requests to complete other renovations in the building not addressed in this project. Contract execution is expected in November 2026 and completion of construction in January 2028.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(d) Project: JBRC Item 5: Medical University of South Carolina
H51.9876: Campus Power Distribution Center

Request: Establish Phase I Pre-Design Budget to construct a fourth power distribution center to serve the Charleston campus.

Included in CPIP: No – The need for the project was unknown during the 2025 CPIP process because the electrical power demand for the new cancer hospital had not yet been determined.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Clinical Revenue				450,000	450,000
All Sources				450,000	450,000

Summary of Work: The project will construct a fourth power distribution center (PDC). The PDC will be modular construction, assembled in a factory setting and installed on site with minimal additional construction. The new PDC will occupy a space on the southwest corner of Sabin Street and Ashleigh Avenue. This project will also run high voltage feeders from Dominion Energy's substation at Bee Street to the new PDC.

Rationale: In consultation with the utility provider, it was determined that their capacity, as well as capacity of campus distribution would be insufficient to support the new cancer hospital and other projected growth. A new electric substation will be built by Dominion Energy. MUSC currently relies on three electrical PDCs, all of which are at or near distribution capacity and cannot support expected clinical, research, and academic expansion on the Charleston peninsula campus. Establishing a fourth PEC will ensure adequate electrical capacity, resiliency, and redundancy required for priority expansion and modernization efforts. This infrastructure investment will support planned campus transformation initiatives that align with the university's strategic plan.

Facility Characteristics: MUSC currently has a 471 square foot PDC constructed in 2003 (23 years old), a 1,497 square foot PDC constructed in 2006 (20 years old), and a 2,157 square foot PDC constructed in 2006 (20 years old). PDCs reduce high voltage and distribute it to medium and lower voltage load centers. The new PDC to be constructed will be approximately 800 square feet. It will support a new 187,000 square foot academic building that is currently under construction and anticipated to be ready for occupancy in December 2027, a new cancer hospital that is anticipated to be completed by 2031, and a new research building and a facility shop building that are anticipated to be constructed starting in 2029. The PDC's are not manned.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

Financial Impact: The project will be funded from Other, Clinical Revenue Funds (uncommitted balance $30 million at May 19, 2026). Clinical Revenue Funds are generated by Patient Services. The project is expected to result in an increase of $5,000 (years 1 thru 3) in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. Currently, there is no portion of tuition designated for capital improvements.

Full Project Estimate: $30,000,000 (internal) funded from Clinical Revenue Funds.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(e) Project: JBRC Item 7: Tri-County Technical College
H59.6387: Pearman Dairy Road Land Acquisition

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/- 3.35 acres in Anderson County.

Included in CPIP: No – The property was not available for purchase during the 2025 CPIP submission process.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College				20,000	20,000
All Sources				20,000	20,000

Rationale: Acquisition of the property will expand the campus footprint and will allow for future academic expansion on the Anderson Campus.

Characteristics: The property is adjacent to the Anderson Campus, providing opportunity for improved access to existing property and academic program expansion. The property is undeveloped and there are no buildings located on the property.

Financial Impact: The property is offered by Tri-County Technical College Foundation, LLC for $375,000 which is the amount the foundation paid for the property. Regardless of the appraised value the college will not pay more than what the foundation paid for the property. The due diligence activities will be funded from Other, College Funds (uncommitted balance $11.41 million at February 28, 2026). College Funds are the cumulative excess of revenues over expenses that are set aside to fund capital projects and major renovations. If acquired, no immediate construction will be completed on the property. The acquisition is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: $395,000 (internal) funded from College Funds.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(f) Project: JBRC Item 8: Trident Technical College
H59.6363: Palmer Campus Roof Replacement

Request: Establish Phase II Full Construction Budget to replace the roof systems on the Palmer Campus Building.

Included in CPIP: Yes – 2025 CPIP Priority 3 of 4 in FY26 (estimated at $4,300,000)
Phase I Approval: August 2025 (estimated at $4,300,000) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B)(27)(n)(i) (Maintenance, Renovation, & Replacement)	64,500		64,500	3,237,930	3,302,430
All Sources	64,500		64,500	3,237,930	3,302,430

Summary of Work: The project will repair and replace the 3 roof systems to include the roof deck, soffit, and fascia. The roof systems to be installed have been evaluated by the Department of Administration, have been determined to comply with JBRC policy, and will come with the minimum 20-year material and workmanship warranty.

Rationale: The existing roof systems have exceeded their useful life. Coatings and patches have been installed over different areas in the past to extend the life of each roof, but numerous leaks occur when it rains. Continued patching to prevent water intrusion is no longer feasible, per the college.

Facility Characteristics: The Palmer Campus Building totals 103,077 square feet and was constructed between 1960 (66 years old) and 2006 (20 years old). The original classroom building was constructed in 1960 (66 years old), and the existing roof was installed in 1985 (41 years old). A Dean's Suite and Library addition was constructed in 1999 (27 years old), and the roof is original to construction. The kitchens at the Culinary Institute of Charleston and the new entrance addition was constructed in 2006 (20 years old), and the roof is original to construction. The 3 existing roof systems cover approximately 69,900 square feet. The facility houses Business Technology, the Culinary Institute of Charleston, Engineering and Construction, Film Media and Visual Arts, Health Sciences, Humanities and Social Sciences, Nursing, campus administration, IT, the Veterans' Center, Humanities and Social Science offices, the bookstore, Public Safety, a biological sciences lab, a library, and an amphitheater. The building can accommodate up to 1,100 students per semester, 72 faculty and staff, and 360 high school students.

Financial Impact: The project will be funded from FY23 Appropriated State (nonrecurring) Funds (uncommitted balance $4.24 million at May 7, 2026). The project is expected to

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

result in a decrease of $25,000 (year 1), $27,000 (year 2), and $30,000 (year 3) in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: $3,302,430 funded from Appropriated State (nonrecurring) Funds. Contract execution is expected in March 2027 and completion of construction in August 2027.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(g) Project: JBRC Item 9: State Board for Technical & Comprehensive Education
H59.6388: readySC OCTC 700 Building Upfit

Request: Establish Phase I Pre-Design Budget to upfit a portion of the 700 Building on the Orangeburg Calhoun Technical College campus.

Included in CPIP: No – The need for this project was unknown during the 2025 CPIP submission process.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY22 Capital Reserve (25), (readySC)				28,800	28,800
All Sources				28,800	28,800

Summary of Work: The project will renovate and upfit a portion of the building that will include reconfiguration of existing space, new flooring, electrical, HVAC, plumbing work, and painting. All work will be to the internal infrastructure of the building.

Rationale: This renovation will serve the specific functions and needs of Ferrara Candy Company to provide training for new employees. The training will be provided by readySC in coordination with Ferrara. Ferrara will be creating 900 to 1,000 jobs in Orangeburg and the surrounding area.

Facility Characteristics: The 700 Building is approximately 14,000 square feet and was constructed in 1976 (50 years old). Approximately 8,500 square feet will be renovated in this project. The HVAC roof top units that feed this portion of the building are roughly 5 years old and will remain. All mechanical upgrades will be to the interior of the building for equipment and fixtures that are 40 years or older. The space will be utilized by approximately 10 to 15 readySC and Ferrara personnel. There will be hundreds of employees utilizing the space for training

Financial Impact: This phase of the project will be funded from FY22 Capital Reserve Funds (uncommitted balance $1.19 million at May 21, 2026). The project is expected to result in an increase of $90,000 (years 1 thru 3) in annual operating expenditures.

Full Project Estimate: $1,920,000 (internal). Phase II will be funded from $1,192,265 in FY22 readySC Capital Reserve and $727,735 in FY23 readySC Capital Reserve Funds.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(h) Project: JBRC Item 10: Department of Administration
D50.6209: Calhoun Building - Hallway Lighting and Interlocking Ceiling Tile Replacement

Request: Establish Phase I Pre-Design Budget to replace the ceiling grid/tiles and replace/upgrade the office lighting.

Included in CPIP: Yes – 2025 CPIP Priority 15 of 17 in FY27 (estimated at $300,000)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State				9,500	9,500
All Sources				9,500	9,500

Summary of Work: The project will replace the ceiling grid and associated ceiling tiles and replace/upgrade the office lighting in the building. The work includes associated electrical work required to replace the LED lighting and abatement of hazardous materials as needed. The interlocking tiles are only located on floors 2, 3, 4, and 5 of the building, however it is anticipated that the current budget will only allow for floors 3, 4, and 5 to be addressed, which are the most critical. If the budget allows, upgrading the ceiling tiles and lighting on the 2nd floor will also be completed.

Rationale: The ceiling tiles are no longer manufactured and are difficult to source when replacement is needed. The office currently has fluorescent lights that will be replaced with more energy efficient LED lights to improve lighting conditions for staff.

Facility Characteristics: The Calhoun Building is approximately 96,672 square feet and was constructed in 1926 (100 years old). Floors 3, 4, and 5 total approximately 38,213 square feet. The building has undergone major renovations in 1954 (72 years ago), 1983 (43 years ago), and 2013 (13 years ago). The 2013 renovation included the basement and 1st floor and did not address any other floors of the building. The building is utilized by the South Carolina Judicial Branch. Approximately 190 Judicial Branch personnel and various visitors utilize the building daily.

Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance $12.35 million at July 1, 2026). The project is expected to result in a decrease in annual operating costs, but that amount has not yet been determined.

Full Project Estimate: $300,000 (internal) funded from Appropriated State Funds. The Phase I amount requested is 3.17% of the estimated cost to complete the project and the additional amount will be used to cover hazardous material testing.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(i) Project: JBRC Item 11: Department of Administration
D50.6194: Federal Surplus - Replace Federal Surplus Warehouse

Request: Establish Phase II Full Construction Budget to construct a replacement surplus warehouse building.

Included in CPIP: Yes – 2025 CPIP Priority 19 of 32 of FY26 (estimated at $10,910,000)
Phase I Approval: October 2025 (estimated at $10,910,000) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Federal Surplus	175,000		175,000	1,968,031	2,143,031
Other, State Surplus				8,036,366	8,036,366
Other, Fleet Management				535,758	535,758
All Sources	175,000		175,000	10,540,155	10,715,155

Summary of Work: The project will construct a new federal surplus warehouse building. The existing building will be demolished as part of this project. The roof systems have been evaluated by the Department of Administration, has been determined to comply with JBRC policy, and will come with the minimum 20-year material and workmanship warranty.

Rationale: The existing warehouse is approximately 22,400 square feet, was constructed prior to 1940 (86+ years old), and is in disrepair. It does not meet the current needs of the state surplus program which provides support to the federal surplus program, federal surplus fleet program, state fleet management, and the Emergency Management Division during periods of activation.

Facility Characteristics: The Federal Warehouse Building to be constructed will be approximately 38,000 square feet consisting of approximately 35,000 square feet of warehouse space with an attached 3,000 square foot operations building. The building will be utilized by 25 staff, which oversee the federal, state, and fleet management surplus programs. The building also receives various visitors daily.

Financial Impact: This phase of the project will be funded from Other, Federal Surplus Program (uncommitted balance $2.39 million at May 22, 2026), Other, State Surplus Program (uncommitted balance $8.29 million at May 22, 2026), and Fleet Management Funds (uncommitted balance $14.56 million at May 22, 2026). Federal Surplus Program Funds are derived from the sale of federal surplus property. State Surplus Program Funds are from service charge revenue derived from the sale of state surplus property. Fleet Management Funds are derived from the Fleet Management Program. The replacement building being constructed is not required to meet LEED Silver or Two Green Globes certification standards

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

because there will be no air conditioned space in the building. Endeavors will be made to ensure that all installations of equipment and systems are energy efficient for responsible energy consumption and energy conservation. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $10,715,155 funded from Federal Surplus Program, State Surplus Program, and Fleet Management Funds. Contract execution is expected June 2027 and completion of construction June 2029.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(j) Project: JBRC Item 12: Office of the Adjutant General
E24.9851: McEntire Joint National Guard Base Land Purchase - Coalie Martin Tract Purchase

Request: Establish Final Land Acquisition to purchase approximately +/- 43.8 acres of land in Richland County.

Included in CPIP: Yes – 2025 CPIP Priority 17 of 23 in FY26 (estimated at $951,450)
Phase I Approval: November 2023 (estimated at $175,450) (JBRC Staff)
Phase I Increase Approval: December 2025 (estimated at $951,450 (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY20 Appropriated State, Proviso 118.16 (B)(18)(c), (McEntire Joint National Guard Base – Land Management)	15,450	6,000	21,450	950,000	971,450
All Sources	15,450	6,000	21,450	950,000	971,450

Rationale: If acquired, the property will establish a complete "south-end clear zone" of runway at the base. Runway clear zones are 3,000 feet by 3,000 feet ground areas required at both ends of the runway. Clear zones are required for the runway and should be either owned or protected under a long-term lease as stated in UFC3-260-01. These areas possess a high potential for accidents, and their use is restricted to be compatible with aircraft operations. The 169FW does not currently own or have restrictive easements for all of the land for the southern clear zone.

Characteristics: The property to be purchased consists of 4 separate parcels that total +/- 43.8 acres located at 1000 Gus Lane in Hopkins. This property is privately owned but surrounded by government owned lands. Access to these parcels is by a public road ending at the government's boundary, then by private road running through government lands within feet of the installation's security fence. The property includes a 1-story garage shop containing approximately 2,000 square feet and a 1-story 2-door detached garage containing approximately 560 square feet for a combined total of 2,560 SF. These buildings will be utilized for storage only.

Financial Impact: The property is offered by Martin Colie Blease, III for $925,000. The acquisition will be funded from FY20 Appropriated State (nonrecurring) Funds (uncommitted balance $2 million at June 18, 2026). An appraisal completed in January 2026 valued the property at $951,100. A Phase I Environmental Site Assessment completed in March 2024 found no evidence of recognized environmental conditions in connection with the property. A Business Environmental Risk (BER) was noted due to a surface water outfall located along the northwestern site

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

boundary. There is a Federal/Air Force Remedial Investigation and Feasibility Study in process to conduct site inspections and studies to determine if and where migration of perfluorinated compounds, which are commonly known as "forever chemicals", may have occurred, and includes new residential sampling criteria and levels. There are no conclusions at this time. A sampling was performed in 2018 at the outfall and documented presence of perfluorinated compounds, which are commonly known as "forever chemicals". The outfall is located on agency owned property and is monitored by the Federal Government. The agency has indicated that there is no impact to the intended use of the property since it will be utilized as a buffer zone. A Building Condition Assessment is not required because the buildings located on the property are not contemplated for occupancy by state employees or the public. Letters of support have been received from Richland County Council and Richland School District One authorizing the removal of the property from the tax rolls. The acquisition is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $971,450 funded from Appropriated State (nonrecurring) Funds. This request includes $25,000 to cover closing costs. Past authorizations included $6,000 for a land appraisal and $15,450 in other professional services.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(k) Project: JBRC Item 13: Department of Veterans Affairs
E26.9911: MJ Dolly Cooper Veterans Cemetery Irrigation Improvements

Request: Establish Phase I Pre-Design Budget to install an in ground irrigation system.

Included in CPIP: No – The project was excluded from the 2025 CPIP submission in error.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Deferred Maintenance				24,000	24,000
All Sources				24,000	24,000

Summary of Work: The project will install an in ground irrigation system. The work includes trenching, installation of main and lateral irrigation lines, automated valves, sprinkler heads, and a programmable central controller capable of operating during non-visitation hours.

Rationale: The existing watering system is a manual hose reel watering method. The existing hose reel system requires staff to manually deploy, monitor, and retrieve hoses daily. This process disrupts the visitor experience because watering must occur during open hours, and visitors often must wait for staff to shut off water before accessing a loved one's grave site. An in ground system will provide consistent, efficient watering across all turf and landscaped areas within the cemetery grounds and eliminate disruptions by enabling automated watering during closed hours. It ensures uniform turf health, reduces visible equipment in burial sections, and enhances the overall appearance and accessibility of the cemetery.

Facility Characteristics: The MJ "Dolly" Cooper Veterans' Cemetery is +/- 57.3 acres and was constructed in 2007 (19 years old). The above ground manual watering system is original to construction. The in ground irrigation system will be installed throughout +/- 21.76 acres. The cemetery has 13 staff with approximately 7,350 visitors annually and 508 internments in the past 12 months.

Financial Impact: The project will be funded from Other, Deferred Maintenance Funds (uncommitted balance $111.2 million at May 15, 2026). Revenue in this fund are appropriated and authorized for the operation of State Veterans Homes and are used for operations, deferred maintenance, capital projects, ordinary repair, and maintenance of the State Veterans Homes. The project is expected to result in a decrease of $19,500 (year 1), $20,280 (year 2), and $21,060 (year 3) in annual operating expenditures.

Full Project Estimate: $1,600,000 (internal) funded from Deferred Maintenance Funds.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(l) Project: JBRC Item 14: Department of Veterans Affairs
E26.9912: Veterans Victory House Laundry Room Improvements

Request: Establish Phase I Pre-Design Budget to renovate the laundry area in the nursing home.

Included in CPIP: No – The project was initially planned to be completed as part of a series of minor construction and equipment replacements which cost less than $250k, and therefore not included in 2025 CPIP submission. After further review it was determined that one larger project would be advantageous.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Deferred Maintenance				21,615	21,615
All Sources				21,615	21,615

Summary of Work: The project will replace the laundry equipment, laundry boilers/domestic hot water equipment, associated plumbing/electrical/mechanical, flooring, ceiling, lighting, and complete limited demolition. Temporary provisions needed to maintain facility operations during construction will also be addressed.

Rationale: Replacement parts for repairs to the laundry equipment are becoming costly and with the age of the existing equipment, repairs are becoming more frequent. Replacement of the equipment and improvements to the laundry area will ensure the facility continues to meet regulatory requirements.

Facility Characteristics: The Veteran Victory House Energy Plant is 12,804 square feet and was constructed in 2006 (20 years old). The laundry area is a 2,150 square foot addition that was constructed in 2008 (18 years old). The building and systems impacted by this project are original to construction of the laundry area. The nursing home houses 220 veterans and has 225 staff and support personnel.

Financial Impact: The project will be funded from Other, Deferred Maintenance Funds (uncommitted balance $111.2 million at May 15, 2026). Revenue in this fund is appropriated and authorized for the operation of State Veterans Homes and are used for operations, deferred maintenance, capital projects, ordinary repair, and maintenance of the State Veterans Homes. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $1,441,000 (internal) funded from Deferred Maintenance Funds.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(m) Project: JBRC Item 15: South Carolina Educational Television Commission
H67.9534: TCC Fire Suppression System

Request: Establish Phase II Full Construction Budget to replace the existing fire suppression system in the Telecommunications Center.

Included in CPIP: Yes – 2025 CPIP Priority 5 of 6 in FY26 (estimated at $400,000)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY26 Appropriated State, Proviso 118.22 (B)(7)(c), (Fire Suppression)				400,000	400,000
All Sources				400,000	400,000

Summary of Work: The project will install a non-water-based fire suppression system in the server room. A gas or chemical agent will be installed as a first line of defense for fire in the technical area.

Rationale: The server room supports all IT and broadcast operations for SCETV. A clean agent fire suppression system is necessary to protect the equipment from being damaged in the event of fire. This system would also keep the main sprinkler system from discharging and damaging the electronic equipment in the area. The current fire suppression system is outdated and water based, which would damage all equipment and systems if deployed. A non-water fire suppression system will strengthen protection of the agency's video and technology assets.

Facility Characteristics: The Telecommunications Center is 257,000 square feet and was constructed in 1993 (33 years old). The server room is 9,000 square feet. The server room and existing water-based fire suppression system are original to construction. The building is utilized for television and radio productions, facility rentals, and staff office space. There are 250 staff located in the building.

Financial Impact: The project will be funded from FY26 Appropriated State (nonrecurring) (uncommitted balance $400k at May 20, 2026). The project is expected to result in an increase of $500 (years 1 thru 3) in annual operating expenditures.

Full Project Estimate: $400,000 (internal) funded from Appropriated State (nonrecurring) Funds. This project is being requested for establishment at Phase II, because it is fully funded from legislatively authorized funds. Contract execution is expected in April 2027 and completion of construction in March 2028.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(n) Project: JBRC Item 16: School for the Deaf and Blind
H75.9555: Henderson Hall Dorm Renovations

Request: Increase Phase II Full Construction Budget to cover higher than anticipated bid costs complete the project.

Included in CPIP: Yes – 2025 CPIP Priority 5 of 5 in FY26 (estimated at $3,850,000)
Phase II Approval: February 2024 (estimated at $2,000,000) (Admin.)
Phase II Increase Approval: October 2024 (estimated at $3,500,000) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B)(6), (Renovation of Educational Buildings)	2,000,000	1,500,000	3,500,000	350,000	3,850,000
All Sources	2,000,000	1,500,000	3,500,000	350,000	3,850,000

Summary of Work: The project will renovate the dormitory. Renovations include flooring, painting, updated restrooms, updated mechanicals, updated piping, new doors, and a new design and flow of the building. The dormitory will almost be completely gutted and shaped back into a newly updated dormitory.

Rationale: The project was originally established before an architect was consulted and was based on an internal cost estimate. The original plan was to modernize and "facelift" the existing structure as is. During the A&E design process, changes to enhance functionality and exceed minimum ADA requirements were made that included moving bathrooms to different locations, re-wiring for greater connectivity and HVAC plumbing. These changes along with the cost estimate provided by the A&E resulted in the need to increase the project budget. The increase was approved in October 2024 with a goal of going out to bid in early 2025. During that time the agency experienced multiple events that lead to the delay in the project going out for bid. There was a change in project management personnel that impacted the project timeline as well as a water pressure issue in the fire suppression system. Bids received in April 2026 came in over the current project budget due to escalating cost for supplies, materials, and labor due to project delays as well as asbestos and lead paint abatement being a larger issue than originally anticipated. This dormitory is not currently being utilized and needs to be updated before it can be used to house students again.

Facility Characteristics: Henderson Hall is 9,600 square feet and was constructed in 1927 (99 years old). The last renovation was completed in 1983 (43 years ago). The lower level of the building is anticipated to be used for education classrooms, and the upper level

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

will be used for residential dorm space for students. The project will benefit approximately 40 students and 10 staff.

Financial Impact: The project will be funded from FY23 Appropriated State (nonrecurring) Funds (uncommitted balance $350k at May 6, 2026). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $3,850,000 funded from Appropriated State (nonrecurring) Funds. Contract execution is expected in August 2026 and completion of construction in November 2027.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(o) Project: JBRC Item 17: Department of Behavioral Health & Developmental Disabilities
J08.9890: McLendon Roof Replacement (2026) - Recovery Solutions of SC, LLC

Request: Establish Phase I Pre-Design Budget to replace the roof on the building.

Included in CPIP: No – A 2025 CPIP was not submitted due to the dissolution of DMH.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Recovery Solutions of SC, LLC Contract Commitment				5,249	5,249
All Sources				5,249	5,249

Summary of Work: The project will remove and replace the low-slope membrane roof on the McLendon Psychiatric Facility. All roofing material options will be evaluated during the Phase I process.

Rationale: The roof is experiencing multiple leaks and the adhesive on the existing Ethylene Propylene Diene Monomer (EPDM) materials has failed.

Facility Characteristics: The McLendon Psychiatric Treatment Facility is 131,094 square feet and was constructed in 1965 (61 years old). It is located on the Crafts Farrow State Hospital Campus located in Columbia. The existing roof is approximately 54,000 square feet and the age is unknown. The facility is occupied by approximately 300 patients and 400 staff.

Financial Impact: This phase of the project will be funded from Other, Recovery Solutions of SC, LLC (uncommitted balance $340k at June 3, 2026). The facility is operated and maintained by Recovery Solutions of South Carolina, LLC (f/k/a Correct Care of South Carolina, LLC) and under contract with the agency. Recovery Solutions is required by its contract to fund all project costs except for third party inspections. The agency will contract separately with and pay the cost of a third party inspections firm to provide inspections and quality assurance services, in accordance with SC Office of State Engineer (OSE). The agency will coordinate project review, permitting, and inspections required by the SC Department of Public Health and Office of the State Engineer, but, Recovery Solutions of South Carolina, LLC will pay the costs of such review and permitting, as well as construction costs. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $349,950 (internal). Phase II will be funded from $339,950 in Recovery Solutions of SC and $10,000 in Capital Improvement & Maintenance Funds.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(p) Project: JBRC Item 18: Department of Behavioral Health & Developmental Disabilities
J08.9885: Bryan Psychiatric Hospital - Administration Building Elevator Modernization

Request: Establish Phase II Full Construction Budget to modernize the elevator in the building.

Included in CPIP: No – A 2025 CPIP was not submitted due to the dissolution of DMH.
Phase I Approval: February 2026 (estimated at $576,000) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	8,640		8,640	571,877	580,517
All Sources	8,640		8,640	571,877	580,517

Summary of Work: The project will modernize the hydraulic passenger elevator in the two-story administration building.

Rationale: The majority of the mechanical, electrical, and control systems are beyond their useful life, causing frequent equipment outages of increasing duration, resulting in noncompliance with the Americans with Disabilities Act.

Facility Characteristics: The Bryan Psychiatric Hospital Building is 20,973 square feet and was constructed in 1975 (51 years old). The elevator and components are original to the building. The building houses hospital administration offices including medical records, admissions and discharge. Additionally, it is utilized by approximately 70 staff and has the capacity to serve approximately 200 patients.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance $27.78 million at May 20, 2026). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposits 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 not expected to result in any change in annual operating expenditures.

Full Project Estimate: $580,517 funded from Capital Improvement & Maintenance Funds. Contract execution is expected in February 2027 and completion of construction in February 2028.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(q) Project: JBRC Item 19: SC Governor's School for Agriculture at John De La Howe
L12.9528: Agriculture Mechanics Shop

Request: Increase Phase II Full Construction Budget to cover higher than anticipated costs to complete the project.

Included in CPIP: No – The need for the increase was unknown during the 2025 CPIP submission process.

Phase I Approval: December 2023 (estimated at $1,300,000) (Admin.)

Revise Scope and Phase II Approval: July 2024 (estimated at $1,300,000) (Admin.)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(4)(a), (Agriculture Shop)	19,500	1,280,500	1,300,000		1,300,000
Appropriated State, Operating				46,816	46,816
All Sources	19,500	1,280,500	1,300,000	46,816	1,346,816

Summary of Work: The project was established to construct a 5,000 square foot state of the art mechanics shop. After consultation with the A&E firm, the decision was made to revise the project scope to repurpose and renovate a portion of the L.S. Brice School instead. The work included removing some walls to create a wide-open floor space, running new electrical, inserting two 20x14 foot glass roll-up doors, turning two shower rooms into storage areas, painting, flooring, and adding security cameras and replacing HVAC systems. New ventilation and ceiling fans were also installed on the shop floor along with new gas heaters. This increase is needed to complete the painting and replacement of the two HVAC systems that support the building.

Rationale: After completion of most of the project's scope of work there was not enough funding available to complete the painting and to replace the building's two HVAC systems. Renovating this facility will provide staff an environment to fully utilize their teaching abilities and allow students to significantly enhance their learning experience.

Facility Characteristics: The L.S. Brice School is 14,000 square feet and was constructed in 1974 (52 years old). The portion of the facility to be renovated is 5,650 square feet. It will house various agriculture classes. Approximately 105 students, 4 teachers, and 20 staff along with various visitors will utilize the renovated space.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

Financial Impact: This increase will be funded from Appropriated State, Operating Funds (uncommitted balance $247k at June 30, 2026). The project is expected to result in an increase of $10,000 (years 1 thru 3) in annual operating expenditures.

Full Project Estimate: $1,346,816 funded from Appropriated State (nonrecurring) and Appropriated State, Operating Funds. Contract execution is expected in September 2026 and completion of construction in February 2027 for the remaining work to be completed.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(r) Project: JBRC Item 20: Department of Corrections
N04.9810: Allendale CI-PI 2 to Classrooms

Request: Establish Phase I Pre-Design Budget to renovate the Prison Industries Building into a training facility.

Included in CPIP: No – The need for the project was unknown during the 2025 CPIP submission process.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				15,000	15,000
All Sources				15,000	15,000

Summary of Work: The project will renovate a portion of the building to create 6 classrooms. The work will include the installation of additional systems that include an evacuation system for the welding shop, HVAC for the classrooms, and electrical to support all the equipment. The work will be completed by outside contractors.

Rationale: The correctional institution does not currently offer carpentry, welding, electrical, HVAC, plumbing, or brick masonry educational programs. Renovating space in the building will allow the institution to provide these programs which will help with rehabilitation so when released, these individuals will have a job skill.

Facility Characteristics: The Prison Industries Building is 24,871 square feet and was constructed in 1999 (27 years old). The building is currently vacant. Approximately 12,400 square feet will be renovated in this project. The renovated space will be used to provide carpentry, electrical, plumbing, HVAC, brick masonry, and welding/pipe fitting education for inmates at the institution. It is anticipated that there will be 10 instructors and approximately 70 students.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance $20.62 million at May 20, 2026). The project is expected to result in additional annual operating costs, but that amount has not yet been determined.

Full Project Estimate: $1,673,100 (internal) funded from Appropriated State, Operating Funds.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(s) Project: JBRC Item 22: Department of Juvenile Justice
N12.9639: Infirmary

Request: Establish Phase II Full Construction Budget to construct a new infirmary.

Included in CPIP: Yes – 2025 CPIP Priority 1 of 13 in FY26 (estimated at $15,000,000)
Phase I Approval: June 2025 (estimated at $15,000,000) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY25 Appropriated State, Proviso 118.20 (B)(50)(c), (Master Plan Implementation)	225,000		225,000	14,775,000	15,000,000
Appropriated State, Operating				4,000,000	4,000,000
All Sources	225,000		225,000	18,775,000	19,000,000

Summary of Work: The project will replace the existing infirmary, the dental modular, and infirmary office annex with a new larger up-to-date building. The work includes site work on the proposed area of construction, the addition of underground utilities, and parking lot/drive lane access. The roof has been evaluated by the Department of Administration and has been determined to comply with JBRC policy and will come with the minimum 20-year material and workmanship warranty.

Rationale: The existing three buildings are not within the new security perimeter, and the footprint of these buildings is insufficient resulting in fragmented services across multiple buildings. The new facility will allow services to be consolidated into a single structure located on the secured side of the Midlands Evaluation and Development Center (formerly Broad River Road Complex). This new infirmary aligns with the recommendation of the agency's most recent master plan completed in May of 2024. It will also enable the agency to replace three outdated and inadequate buildings currently in use and allow two of those buildings to be available for upgrade for use as office space in the future.

Facility Characteristics: The existing infirmary is approximately 6,763 square feet and was constructed in 1972 (54 years old). The existing dental modular is 1,000 square feet and was constructed in 1985 (41 years old). The existing infirmary office annex is 1,709 square feet and was constructed in 2008 (18 years old). The new building to be constructed will be approximately 19,144 square feet. It will serve all the juveniles under the department's jurisdiction for clinical examinations, dental care, patient assessments, first aid, basic treatment, provide a place for the rest and recovery of youth patients, and provide office space for medical and clerical staff. Approximately 33 staff will occupy the new facility.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

Financial Impact: This phase of the project will be funded from FY25 Appropriated State (nonrecurring) (uncommitted balance $14.78 million at May 18, 2026) and Appropriated State, Operating Funds (uncommitted balance $4.47 million at May 18, 2026). The project is expected to result in an increase of $47,500 (years 1 thru 3) in annual operating expenditures.

Full Project Estimate: $19,000,000 funded from Appropriated State (nonrecurring) and Appropriated State, Operating Funds. The estimated cost to complete the project has increased from the 2025 CPIP and the Phase I amount due to market-driven cost escalation, required temporary security measures, and verified programming needs identified during schematic design. Contract execution is expected in February 2027 and completion of construction in July 2029.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(t) Project: JBRC Item 23: Forestry Commission
P12.9613: Lost Creek Project

Request: Establish Final Land Acquisition to purchase +/- 71 acres in Richland County.

Included in CPIP: Yes – 2025 CPIP Priority 3 of 4 in FY26 (estimated at $1,433,000)
Phase I Approval: October 2025 (estimated at $1,453,000)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Timber Sales Revenue	20,000		20,000		20,000
Other, SC Conservation Bank				1,345,500	1,345,500
Other, Richland County				75,000	75,000
Other, Midlands Southern Off Road Bicycle Association				7,500	7,500
Other, Friends of Harbison State Forest				5,000	5,000
All Sources	20,000		20,000	1,433,000	1,453,000

Rationale: This property and surrounding area are in eminent danger of being lost to development. After acquisition, the property will become an expansion of the Harbison State Forest. Acquisition of the property will protect it from development and will allow the trail system to be enlarged.

Characteristics: The property is located in the Harbison area adjacent to the Harbison State Forest. It is undeveloped, and in 2017 was clearcut and left for natural regeneration.

Financial Impact: The property is being offered by Family Land, LLC to Congaree Land Trust for $1,433,000. Congaree Land Trust is offering the property to the Forestry Commission for $1,433,000. The acquisition will be funded from Other, SC Conservation Bank (uncommitted balance $1.35 million at May 21, 2026). Other, Richland County (uncommitted balance $75k at May 21, 2026), Other, Midlands Southern Off Road Bicycle Association (uncommitted balance $8k at May 21, 2026), and Other, Friends of Harbison State Forest Funds (uncommitted balance $5k at May 21, 2026). An appraisal completed in March 2026 valued the property at $1,505,000. A Phase I Environmental Site Assessment completed in March 2026 found no evidence of recognized environmental conditions in connection with the property. A Building Condition Assessment is not required because there are no buildings located on the property. Letters of support have been received from Richland County and Lexington Richland School District Five authorizing the removal of the property from the tax rolls. No construction or renovation is planned

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

to be completed after acquisition. The acquisition is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $1,453,000 funded from Timber Sales Revenue, SC Conservation Bank, Richland County, Midlands Southern Off Road Bicycle Association, and Friends of Harbison State Forest Funds.

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

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(u) Project: JBRC Item 24: Department of Natural Resources
P24.6156: Georgetown - Samworth-Carr Complex Dike Restoration

Request: Establish Phase I Pre-Design Budget to repair and restore the dike system at the Carr Complex in Georgetown County.

Included in CPIP: No – The need for the project was unknown during the 2025 CPIP submission process.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B)(44)(e), (nonrecurring), (Fish Hatcheries and State Lakes Maintenance & Repair)				59,982	59,982
All Sources				59,982	59,982

Summary of Work: The project will repair and restore the dike system at the Carr Complex. The work will consist of dike reshaping and re-topping, canal cleanout, the installation of new dikes and berm re-establishment, removal of existing trunks, and the installation of new trunks and access aprons with pipes. Material for refurbishing the dikes will come from the existing canal located inside the impoundment. To repair the dikes and install the trunks, earth-moving equipment such as a track-hoe must be mobilized and transported by barge to the island.

Rationale: Recent deterioration of the dikes due to Tropical Storm Debbie and other high-water cycles created an urgency for these impoundments. Repairs and renovations to the existing dike system will allow staff to effectively manage habitat within the impoundments primarily for migratory waterfowl utilizing the Atlantic Flyway. Numerous wading birds, reptiles and amphibians will benefit from this management. This project will result in providing wintering forage for waterfowl during the winter and before they migrate back north to nest. It also allows the ability to provide waterfowl hunting opportunity as part of the DNR public lottery waterfowl hunts as well as providing public waterfowl hunting opportunity outside of the dikes on the public waterway. Other wading birds, reptiles, and amphibians also use the impoundments inside the dike system.

Facility Characteristics: The dike system supports the Carr Complex containing 52 acres of managed palustrine emergent wetlands on Samworth WMA in Georgetown County.

Financial Impact: This phase of the project will be funded from FY23 Appropriated State (nonrecurring) Funds (uncommitted balance $225k at May 22, 2026). The project is not expected to result in any change in annual operating expenditures.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

Full Project Estimate: $3,998,760 (internal). Phase II will be funded from $2,277,678 in Appropriated State (nonrecurring), $961,432 in SCCB North American Wetlands Conservation Grant State Match, and $759,650 in Fish & Wildlife Protection Funds.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(v) Project: JBRC Item 27: Department of Natural Resources
P24.6153: Richland – Wateree Range – Love Farm Land Acquisition
(Schraibman)

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/- 114 acres and three buildings in Richland County.

Included in CPIP: No – The property was not available for purchase during the 2025 CPIP submission process.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(37)(b), (Habitat Protection and Land Conservation Acquisitions)				50,000	50,000
All Sources				50,000	50,000

Rationale: Acquisition of this property will allow for overflow parking, good sound and property buffer, and as a camp site for visitors from the complex across the road. The property also represents an opportunity for valuable recreational fishing and aquatic education. If acquired, the property will add to the larger footprint of protected lands that includes Wateree River HP and WMA to the north and additional eased land to the west and east.

Characteristics: The property is located across the road from the State Shooting Complex in lower Richland County off Vanboklen Road. The property is composed of early successional hardwoods that have come up in old agriculture fields. Areas on the hillside on the south side of the pond have mixed hardwoods dominated by white oak and hickory and 25 acres of uplands, which include game fields and mowed lawn. A stream-fed 13 acre pond is located on site that the landowner claims is approximately 12 feet deep at full pool and has been stocked many times over the last 40 years; however, the 2015 flood caused overland flow, bringing in other fish species while losing stocked species to the stream. The landowner says it now contains bass, bream, and crappie, but once also had catfish. Birds noted included American crow, piliated woodpecker, various wintering songbirds, and white-eyed vireo (old nest). There is a small blackwater stream running from the southern property line and then exiting to cross Vanboklen Road. Its headwaters are about 1.5 miles to the southwest and it flows through SCDNR's Love Range and into the Wateree River. There is a small house and two barn/sheds constructed in 1968 (58 years old) located on the property.

Financial Impact: The property is offered by AGMC Farms, LLC, for not more than appraised value, which is anticipated to be $1,300,000. The due diligence activities will be funded

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

from FY24 Appropriated State (nonrecurring) Funds (uncommitted balance $13.87 million at May 26, 2026). The seller has applied for a US Department of Defense Readiness & Environmental Protection Integration Program grant. If awarded, the seller will reduce the price of the property by the grant amount awarded. If acquired, no construction or renovations will be completed on the property. The acquisition is expected to result in an increase of $10,000 (year 1) and $5,000 (years 2 thru 3) in annual operating expenditures.

Full Project Estimate: $1,350,000 (internal). The Preliminary Land Acquisition request includes additional funds to survey and mark three boundary sides and to assess a 13-acre pond. The Final Land Acquisition will be funded from $975,000 in USFWS Conservation Investment and $325,000 in Fish & Wildlife Protection Funds.

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

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(w) Project: JBRC Item 29: Department of Parks, Recreation, and Tourism
P28.9872: Redcliffe Plantation Historic Structures

Request: Change Source of Funds and Establish Phase II Full Construction to reconstruct the Redcliffe Slave Quarters.

Included in CPIP: No – The need for the project was unknown during the 2025 CPIP submission process.

Phase I Approval: March 2026 (estimated at $906,174) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Park Revenue	13,593		13,593	(13,593)	
Federal, Historic Preservation Grant				755,200	755,200
All Sources	13,593		13,593	741,607	755,200

Summary of Work: The project will reconstruct a saddlebag clapboard-sided structure at Redcliffe Plantation. The work includes foundation work, timber framing, pine siding, doors and windows, brick piers, pine tongue and grove flooring, and exterior painting. Salvageable materials will be reused, with others repurposed for interpretive exhibits. The roof has been evaluated by the Department of Administration and has been determined to comply with JBRC policy and will come with the minimum 20-year material and workmanship warranty.

Rationale: The structure was destroyed by Hurricane Helene in 2024. Restoring the structure will expand educational programming, provide visitor shelter, and create a flexible gathering space. Restoring it will also restore a rare and essential resource for understanding the site's history. Redcliffe maintains strong environmental mitigation practices and remains committed to preserving its historic landscape.

Facility Characteristics: The building is 800 square feet and was constructed in 1857 (169 years old). It was originally built to house two of the enslaved families who built and sustained Redcliffe Plantation, the home of prominent South Carolina politician James Henry Hammond. The structure evolved from housing for enslaved families to tenant housing, then to storage, and finally a garage and chauffeur's quarters. The park has an estimated 5,000 visitors per year.

Financial Impact: The project will be funded from Federal, Historic Preservation Grant Funds (uncommitted balance $755,200 at March 30, 2026). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $755,200 funded from Historic Preservation Grant Funds. Contract execution is expected in August 2026 and completion of construction in June 2029.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(x) Project: JBRC Item 31: Patriots Point Development Authority
P36.9546: Patriots Point Landside Village

Request: Revise Scope, Change Project Name and Establish Phase II Full Construction Budget to construct a permanent retail village.

Included in CPIP: No – The project was omitted in error from the 2025 CPIP submission.
Phase I Approval: March 2026 (estimated at $2,635,812) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Admissions Revenue	122,430		122,430	3,454,958	3,577,388
All Sources	122,430		122,430	3,454,958	3,577,388

Summary of Work: The project was established to construct a temporary retail village using modular prefabricated units and renovate an existing Quonset hut until a new permanent building could be constructed. This revise scope request will create and construct a permanent landside village at Patriots Point using the existing Quonset hut and adding container and fabricated modular units to house retail, food service, ticketing, support, IT, gathering, meeting, and restroom functions to support ongoing operations.

Rationale: Many of these functions have been provided in an existing agency owned building that will be vacated and demolished in 2027 as part of a lease for new tenant development. The agency has no other buildings or facilities that can house these operations. This project will create replacement facilities that will ensure uninterrupted guest admissions and services, as well as gift shop sales, which provide operating revenues for the museum. It will also allow for activation to host after hour events and add meeting space. This permanent facility will be designed to accommodate future landside office needs, and this is the best alternative, per the agency, to accomplish goals for the facilities with the time and funds available.

Facility Characteristics: The existing building is 7,850 square feet and was constructed in 1988 (38 years old). The new retail village will total approximately 8,640 square feet and will house admissions, retail, food service, meeting, restroom, gathering and special event spaces. The Quonset hut contains approximately 2,000 square feet. Patriots Point receives over 495,000 visitors annually. Of the total annual visitors, 300,000 visit the museum, 180,000 take Fort Sumter and harbor boat tours, and 15,000 are students for camps, tours and events. There are approximately 233 agency staff and volunteers who will utilize the space.

Financial Impact: The project will be funded from Other, Admissions Revenue Funds (uncommitted balance $13.37 million at April 30, 2026). Admissions Revenue Funds are derived

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

from the park and museum admission fees and revenue from leased property. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $3,577,388 funded from Admissions Revenue Funds. The estimated cost to complete the project has increased from the Phase I estimate due to the expanded needs for public restrooms, food service, meeting and gathering areas, the addition of a second level and elevator as well as alterations to make the facility permanent in nature. Contract execution is expected in September 2026 and completion of construction in April 2027.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

(y) Project: JBRC Item 32: Department of Employment and Workforce
R60.9543: Florence Workforce Center – Repave Parking Lot

Request: Increase Phase II Full Construction Budget to cover the cost to remove unstable soil in this project to replace the parking lot.

Included in CPIP: No – The need for the increase was unknown during the 2025 CPIP submission process.

Phase I Approval: June 2024 (estimated at $489,877) (JBRC)

Phase II Approval: February 2025 (estimated at $489,877) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Contingency Assessment	10,815	479,062	489,877	271,040	760,917
All Sources	10,815	479,062	489,877	271,040	760,917

Summary of Work: The project will replace the parking lot and bring it up to meet ADA standards and current county or city code requirements for landscaping in parking areas. Once the asphalt and stone base from the existing parking lot was removed, it was determined that the removal of unstable soil with inorganic materials and water will be required in order to complete the project.

Rationale: There is not adequate parking for clients and staff due to this parking lot being under constructed. Due to safety risks posed with a long term construction delay for public pedestrian traffic near the exposed parking lot excavation and existing temporary staff parking access, an emergency procurement was established with the Office of the State Engineer to expedite completion of this project. This increase is needed to cover the cost to complete the corrective construction cost and add additional contingency to the project budget. The pavement has failed in a number of locations and high severity weathering, cracking, and potholes are present. Loss of asphalt binder is evident, and this compromises structural integrity. Some locations have been repaired with asphalt patches, but the condition of the lot poses trip hazards to DEW staff and the general public. Vehicular, handicap, and pedestrian traffic are not safe due to the condition of the lot, and the lot requires ongoing maintenance and repair. Additionally, the lot does not meet ADA standards and does not meet current county or city requirements for landscaping in parking areas.

Facility Characteristics: The parking lot is 32,375 square feet and was constructed in 1969 (57 years old). The center is utilized by the agency's Workforce and Economic Development and Unemployment Insurance. Additionally, partner agencies that include Workforce Innovation and Opportunity Act, Department of Social Services, South Carolina Vocational Rehabilitation Department, and Adult Education also utilize the center.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Permanent Improvement Projects

Approximately 18 agency employees and 18 partner agency staff are housed in the center.

Financial Impact: The project will be funded from Other, Contingency Assessment Funds (uncommitted balance $118.39 million at June 26, 2026). Revenue to this fund is generated from the contingency assessment portion of the tax accounted for in the special revenue fund, which is primarily to fund the administrative costs and employment services. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $760,917 funded by Contingency Assessment Funds. Completion of construction is anticipated in August 2026 if no more unstable soil is found.

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

Project List: SFAA Items - August 19, 2026

SFAA Items - August 19, 2026

SFAA Item	JBRC Item2	Agency Code	Agency Name	Project ID	Project Name	Action Proposed	Included in CPIP?	Current Budget	Requested Change	Phase I	Total Phase II Budget	SOF (excludes proposed Phase II if currently seeking Phase I)
(a)	1	H12	Clemson University	9976	Martin Hall Site Redevelopment	Establish Phase I	Yes	-	5,000,000	5,000,000	136,478,394	Other - Maintenance & Stewardship
(b)	3	H17	Coastal Carolina University	9635	Pedestrian Walkway Construction	Establish Phase I	Yes	-	300,000	300,000	11,000,000	FY25 Capital Reserve (7)
(c)	4	H21	Lander University	9563	Jackson Library Repurposing	Establish Phase II	Yes	90,000	5,910,000	90,000	6,000,000	FY23 Appropriated State - Proviso 118.19 (B)(16)
(d)	5	H51	Medical University of South Carolina	9876	Campus Power Distribution Center	Establish Phase I	No	-	450,000	450,000	30,000,000	Other - Clinical Revenue
(e)	7	H59	Tri-County Technical College	6387	Pearman Dairy Road Land Acquisition	Preliminary Land Acquisition	No	-	20,000	20,000	395,000	Other - College
(f)	8	H59	Trident Technical College	6363	Palmer Campus Roof Replacement	Establish Phase II	Yes	64,500	3,237,930	64,500	3,302,430	FY23 Appropriated State - Proviso 118.19 (B)(27)(n)(i)
(g)	9	H59	State Board for Technical & Comprehensive Education	6388	readySC OCTC 700 Bldg. Upfit	Establish Phase I	No	-	28,800	28,800	1,920,000	FY22 Capital Reserve (25)
(h)	10	D50	Department of Administration	6209	Calhoun Building - Hallway Lighting and Interlocking Ceiling Tile Replacement	Establish Phase I	Yes	-	9,500	9,500	300,000	Appropriated State
(i)	11	D50	Department of Administration	6194	Federal Surplus - Replace Federal Surplus Warehouse	Establish Phase II	Yes	175,000	10,540,155	175,000	10,715,155	Other - Federal Surplus / Other - State Surplus / Other - Fleet Management
(j)	12	E24	Office of the Adjutant General	9851	McEntire Joint National Guard Base Land Purchase - Coalie Martin Tract Purchase	Final Land Acquisition	Yes	21,450	950,000	21,450	971,450	FY20 Appropriated State - Proviso 118.16 (B)(18)(c)
(k)	13	E26	Department of Veterans Affairs	9911	MJ Dolly Cooper Veterans Cemetery Irrigation Improvements	Establish Phase I	No	-	24,000	24,000	1,600,000	Other - Deferred Maintenance
(l)	14	E26	Department of Veterans Affairs	9912	Veterans Victory House Laundry Room Improvements	Establish Phase I	No	-	21,615	21,615	1,441,000	Other - Deferred Maintenance
(m)	15	H67	South Carolina Educational Television Commission	9534	TCC Fire Suppression System	Establish Phase II	Yes	-	400,000	-	400,000	FY26 Appropriated State - Proviso 118.22 (B)(7)(c)
(n)	16	H75	School for the Deaf and Blind	9555	Henderson Hall Dorm Renovations	Phase II Increase	Yes	3,500,000	350,000	-	3,850,000	FY23 Appropriated State - Proviso 118.19 (B)(6)
(o)	17	J08	Department of Behavioral Health & Developmental Disabilities	9890	McLendon Roof Replacement (2026) - Recovery Solutions of SC, LLC	Establish Phase I	No	-	5,249	5,249	349,950	Other - Recovery Solutions of SC, LLC
(p)	18	J08	Department of Behavioral Health & Developmental Disabilities	9885	Bryan Psychiatric Hospital - Administration Building Elevator Modernization	Establish Phase II	No	8,640	571,877	8,640	580,517	Other - Capital Improvement & Maintenance
(q)	19	L12	Governor's School for Agriculture at John De La Howe	9528	Agriculture Mechanics Shop	Phase II Increase	No	1,300,000	46,816	19,500	1,346,816	FY24 Appropriated State - Proviso 118.19 (B)(4)(a) / Appropriated State - Operating
(r)	20	N04	Department of Corrections	9810	Allendale CI-PI 2 to Classrooms	Establish Phase I	No	-	15,000	15,000	1,673,100	Appropriated State - Operating
(s)	22	N12	Department of Juvenile Justice	9639	Infirmary	Establish Phase II	Yes	225,000	18,775,000	225,000	19,000,000	FY25 Appropriated State - Proviso 118.20 (B)(50)(c) / Appropriated State - Operating
(t)	23	P12	Forestry Commission	9613	Lost Creek Project	Final Land Acquisition	Yes	20,000	1,433,000	20,000	1,453,000	Other - Timber Sales Revenue / Other - SC Conservation Bank / Other - Richland County / Other - Midlands Southern Off Road Bicycle Association / Other - Friends of Harbison State Forest
(u)	24	P24	Department of Natural Resources	6156	Georgetown - Samworth-Carr Complex Dike Restoration	Establish Phase I	No	-	59,982	59,982	3,998,760	FY23 Appropriated State - Proviso 118.19 (B)(44)(e)
(v)	27	P24	Department of Natural Resources	6153	Richland – Wateree Range – Love Farm Land Acquisition (Schraibman)	Preliminary Land Acquisition	No	-	50,000	50,000	1,350,000	FY24 Appropriated State - Proviso 118.19 (B)(37)(b)
(w)	29	P28	Department of Parks, Recreation & Tourism	9872	Redcliffe Plantation Historic Structures	Establish Phase II & Change Source of Funds	No	13,593	741,607	13,593	755,200	Federal - Historic Preservation Grant
(x)	31	P36	Patriots Point Development Authority	9546	Patriots Point Landside Village	Establish Phase II, Revise Scope, & Change Project Name	No	122,430	3,454,958	122,430	3,577,388	Other - Admissions Revenue
(y)	32	R60	Department of Employment and Workforce	9543	Florence Workforce Center – Repave Parking Lot	Phase II Increase	No	489,877	271,040	10,815	760,917	Other - Contingency Assessment
Sep.	Sep.	H27	University of South Carolina - Columbia	6163	Williams-Brice Stadium Renovation	Phase II Decrease & Revise Scope	Yes	350,000,000	(78,000,000)	4,000,000	272,000,000	Athletic Facilities Revenue Bonds
Sep.	Sep.	H27	University of South Carolina - Columbia	6168	Williams-Brice Stadium Muli-Use Facilities Renovation	Establish Phase II	Yes	-	78,000,000	-	78,000,000	Higher Education Revenue Bonds
Sep.	Sep.	H73	Vocational Rehabilitation Department	9636	Underslab Plumbing Repair	Establish Phase II	No	-	2,300,000	-	2,300,000	Federal - State Vocational Rehabilitation Services Grant
28	Sep.	P24	Department of Natural Resources	6115	Pickens - Jocassee Gorges HP/WMA Land Acquisition (His Way)	Final Land Acquisition	Yes	20,000	475,000	20,000	495,000	Other - Heritage Land Trust

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

Meeting Scheduled for: 8/19/2026 **Regular Agenda**

1. Submitted by:
(a) Agency: Department of Administration
(b) Authorized Official Signature: Ashlie Lancaster, FMPS Director

2. Subject: Permanent Improvement Projects

3. Summary Background Information:

(a) Project: JBRC Item 1: Clemson University
H12.9976: Martin Hall Site Redevelopment

Request: Establish Phase I Pre-Design Budget to complete site improvements and demolish and reconstruct a replacement building.

Included in CPIP: Yes – 2025 CPIP Priority 1 of 1 in FY28 (estimated at $107,500,000) &
2025 CPIP Priority 5 of 6 in FY27 (estimated at $12,000,000)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Maintenance & Stewardship				5,000,000	5,000,000
All Sources				5,000,000	5,000,000

Summary of Work: The project will demolish the existing building, address aging storm, sewer and steam infrastructure, and construct a replacement building. The new building will provide modern instructional spaces to include one 192-seat auditorium, four 48-seat classrooms, nine 45-seat SCALE-UP classrooms, one 56-seat tiered classroom, one 135-seat SCALE-UP classroom, and one Math Help Center. This project will also replace, reroute or renovate sections of the storm water, wastewater, steam/chilled water, and electrical systems in the area near President's Park/Parkway Drive in proximity to core campus facilities including Sikes Hall, Long Hall, Kinard Hall, Martin Hall, amphitheater, and Reflection Pond. Hardscape improvements will be completed, and site lighting will be installed to create or improve accessible pedestrian pathways. All roofing material options will be evaluated during the Phase I process. The new building will be designed to meet Two Green Globes certification standards.

Rationale: Martin Hall consists of three buildings connected by exterior stairs that are covered but exposed to the elements, creating slippery and dangerous conditions for students and faculty moving between buildings during rain. In addition, the stairs are compact and become congested when students are going to and from class, and there are very few gathering spaces for students and faculty. The instructional spaces are insufficient and undersized, and do not adequately support modern teaching delivery methods. The building systems are at the end of their useful life. The replacement facility will include Student-Centered Active Learning Environments (SCALE-UP) classrooms designed to support active, collaborative, student-centered instruction rather than traditional lecture-based teaching. These learning environments are intended to improve learning outcomes and reduce

drop-fail-withdraw rates. Additionally, the mechanical, electrical, and plumbing systems are all reaching end-of-life status. This project is a campus redevelopment initiative that addresses the end-of-life building systems, exterior envelope deficiencies, and life-safety concerns of Martin Hall as well as broader campus opportunities to enhance accessibility, pedestrian circulation, infrastructure resilience, student experience, long-term campus planning needs, and future academic growth.

Facility Characteristics: Martin Hall is 90,816 square feet and was constructed in 1962 (64 years old). It has been well maintained but has not had a significant renovation since construction. The replacement facility will be constructed in the Sikes Hall parking lot which is adjacent to the existing Martin Hall and will be approximately 98,000 square feet. It will house the School of Mathematics & Statistical Sciences (SMSS) which produces the highest number of credit hours of any program at Clemson. Most undergraduate students will utilize this building for at least one semester during their academic career. The building will be primarily instructional space and will support up to 980 students in classes at one time. As a program that generates over 60,000 credit hours annually, SMSS will support thousands of students utilizing this building daily. The building will support approximately 110 faculty and staff and up to 160 graduate teaching assistants.

Financial Impact: This phase of the project will be funded from Other, Maintenance & Stewardship Funds (uncommitted balance $168 million at May 14, 2026). Maintenance and Stewardship Funds are comprised of tuition, matriculation and other debt retirement and plant fund revenues that are restricted to support capital investment but not formally obligated to fund debt service in the current period. These funds are planned for maintenance and renovation needs. The project is expected to result in an increase of $63,052 (year 1), $64,313 (year 2), and $65,600 (year 3) in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $1,005 per student per semester, and has not changed between academic years 2022-2023 to 2026-2027. Currently pledged for debt service is $303.50 of the $1,005. The remainder of the fee, $701.50, funds ongoing capital projects and maintenance.

Full Project Estimate: $136,478,394 (internal). Phase II will be funded from $68,250,000 in State Institution Bonds and $68,228,394 in Maintenance & Stewardship Funds. The Phase I amount requested is 3.66% of the estimated cost to complete the project and the additional amount will be used to cover the Construction Manager at Risk procurement method and the cost of a geotechnical investigation and survey.

(b) Project: JBRC Item 3: Coastal Carolina University
H17.9635: Pedestrian Walkway Construction

Request: Establish Phase I Pre-Design Budget to construct a pedestrian walkway.

Included in CPIP: Yes – 2025 CPIP Priority 3 of 9 in FY26 (estimated at $11,500,000)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY25 Capital Reserve (7), (Pedestrian Walkway)				300,000	300,000
All Sources				300,000	300.000

Summary of Work: The project will construct a pedestrian walkway crossing over South Carolina Highway 544 (SC-544).

Rationale: This state roadway carries approximately 37,300 vehicles each day, creating significant safety challenges for pedestrians. Many students living in nearby off-campus housing must cross SC-544 to reach campus. A recent campus mobility study recommended building a pedestrian walkway near Founders Drive. A pedestrian walkway will remove the need for street-level crossings. It will also improve access to campus facilities such as athletic, academic, and event venues frequently used by residents of Horry County and surrounding communities. Any Phase 1 pedestrian bridge design work will be fully transferable to another location if the contemplated parcel is not ultimately acquired.

Facility Characteristics: The pedestrian walkway to be constructed will be an open-air bridge structure. The elevated pedestrian walkway will serve all students, faculty, staff, and visitors who cross SC-544. Based on the university's recent mobility study, the Founders Drive and SC-544 intersection experiences sustained multimodal activity throughout the day. The study documented more than 400 vulnerable road users during the AM peak (7:30–9:30 AM), nearly 600 during the midday peak (11:30 AM–1:30 PM), and almost 400 during the PM peak (3:30–5:30 PM). These three peak periods alone account for approximately 1,400 individual users per day. Because these counts represent only the highest-volume windows—and do not include early-morning, late-evening, or off-peak daytime travel—the total daily usage is expected to exceed this number.

Financial Impact: This phase of the project will be funded from FY25 Capital Reserve Funds (uncommitted balance $5 million at May 19, 2026). The project is expected to result in an increase of $140,062 (year 1), $144,264 (year 2), and $148,592 (year 3) in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. While not being utilized to fund this project, a portion of tuition is designated for Renovation Reserve and Debt Service allocations, currently $210 (in-state) per student per semester and $475 (out-of-state) per student per semester. In academic year 2022-2023, the portion of tuition designated for capital improvements was $405 (in-state/out-of-state). In 2024, the tuition structure was revised so that the portion allocated to capital improvements is no longer a flat amount applied equally to all students. Instead, the Renovation Reserve and Debt Service allocations were adjusted. They were reduced for in-state students and increased for out-of-state students so that each group contributes a similar percentage of their total tuition toward capital project improvements. As a result, capital improvement funding is more proportional and equitable relative to overall tuition. Currently, $140 (in-state) and $290 (out-of-state) are pledged for debt service per student per semester. The remainder of the fee, $70 (in-state) and $185 (out-of-state), funds ongoing capital projects and maintenance.

Full Project Estimate:	$11,000,000 (internal). Phase II will be funded from $5,000,000 in Capital Reserve, $5,000,000 in Community Project Funding Grant, and $1,000,000 in Penny Sales Tax Funds. The Phase I amount requested is 2.72% of the estimated cost to complete the project and the additional amount will be used to cover substantial preliminary engineering, utility mapping, right-of-way assessment, and SCDOT coordination that is required due to the complexity and designing a pedestrian bridge over a state highway.

(c) Project: JBRC Item 4: Lander University
H21.9563: Jackson Library Repurposing

Request: Establish Phase II Full Construction Budget to renovate and repurpose the library.

Included in CPIP: Yes – 2025 CPIP Priority 2 of 4 in FY26 (estimated at $10,000,000)
Phase I Approval: November 2022 (estimated at $6,000,000) (Admin)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B)(16), (Maintenance, Renovation and Replacement)	90,000		90,000	5,910,000	6,000,000
All Sources	90,000		90,000	5,910,000	6,000,000

Summary of Work: The project will involve the subdivision of areas on the main/second and upper/third floor of the 3-story building into academic classrooms, offices, student collaboration spaces, and faculty offices. The building's HVAC, electrical power distribution, overhead lighting, fire alarm, restrooms and interior finishes will be upgraded to support building operation on all three floors.

Rationale: The Library Information Commons building is being constructed under project H21-9562. Once completed, all library functions will be relocated to the new facility freeing up 44,000 square feet of space that can be used for classroom and laboratory space. Renovating the vacated space in the library building will allow for the consolidation of the College of Business and Technology programs. Graphic Design and Media Production programs now fall under the College of Business to help these typical art related programs better understand the business side of what they will do and need to be successful in the industry. These programs are currently housed in the Learning Center Building and the Cultural Center Building, which are both outdated and struggle to remain current with the times. Moving these programs to the library building allows the university to lay them out right and upfit them to be current and modern for the program's students. The vacated spaces in the Learning Center will allow the university to put all of their Enrollment Management division together in one place: creating a one-stop for Admissions and Financial Aid. The current Graphic Design lab is a single, overcrowded lab in the Cultural Center that can be converted to a single classroom, capable of holding 40-student classes while the move expands the Graphic Design labs into two rooms allowing them to enroll more students into the high-demand program.

Facility Characteristics: The Jackson Library is 65,000 square feet and was constructed in 1976 (50 years old). Approximately 44,000 square feet on the main/second and upper/third floors will be renovated in this project. Some renovations to the library have been completed between 2001 and 2010, but the building systems are original to construction. The ground/first floor will remain the home of the University Information Technology Center, to include the back-up server room and student IT support services. Additionally, a set of library materials will be archived on this floor for students of the College of Business and Technology for in-depth research and resourcing for papers. Most circulated publications and text will reside in the new Library Information Commons building. An estimated 65 faculty and staff utilize this space daily. The existing Starbucks on the main/second floor is operated by Aramark under their Retail and Dining contract and will remain unchanged. The main/second and upper/third floor will house computer labs, classrooms, offices, and casual student gathering areas. An estimated 650 students, faculty and

staff will utilize the space daily. Collectively, the building's daily average occupancy is estimated to be 715 people.

Financial Impact: The project will be funded from FY23 Appropriated State (nonrecurring) Funds (uncommitted balance $5.91 million at May 14, 2026). The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. Currently, there is no portion of tuition designated for capital improvements.

Full Project Estimate: $6,000,000 funded from Appropriated State (nonrecurring) Funds. The estimated cost to complete the project has decreased from the 2025 CPIP because the Phase I design was successful in taking advantage of existing building conditions, rather than defaulting to a significant demolition phase. The project will be completed with the funding available and will renovate a large portion of the building to meet the needs of the program and help with the infrastructural needs of the building. Long term, the university anticipates submitting future funding requests to complete other renovations in the building not addressed in this project. Contract execution is expected in November 2026 and completion of construction in January 2028.

(d) Project: JBRC Item 5: Medical University of South Carolina
H51.9876: Campus Power Distribution Center

Request: Establish Phase I Pre-Design Budget to construct a fourth power distribution center to serve the Charleston campus.

Included in CPIP: No – The need for the project was unknown during the 2025 CPIP process because the electrical power demand for the new cancer hospital had not yet been determined.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Clinical Revenue				450,000	450,000
All Sources				450,000	450,000

Summary of Work: The project will construct a fourth power distribution center (PDC). The PDC will be modular construction, assembled in a factory setting and installed on site with minimal additional construction. The new PDC will occupy a space on the southwest corner of Sabin Street and Ashleigh Avenue. This project will also run high voltage feeders from Dominion Energy's substation at Bee Street to the new PDC.

Rationale: In consultation with the utility provider, it was determined that their capacity, as well as capacity of campus distribution would be insufficient to support the new cancer hospital and other projected growth. A new electric substation will be built by Dominion Energy. MUSC currently relies on three electrical PDCs, all of which are at or near distribution capacity and cannot support expected clinical, research, and academic expansion on the Charleston peninsula campus. Establishing a fourth PEC will ensure adequate electrical capacity, resiliency, and redundancy required for priority expansion and modernization efforts. This infrastructure investment will support planned campus transformation initiatives that align with the university's strategic plan.

Facility Characteristics: MUSC currently has a 471 square foot PDC constructed in 2003 (23 years old), a 1,497 square foot PDC constructed in 2006 (20 years old), and a 2,157 square foot PDC constructed in 2006 (20 years old). PDCs reduce high voltage and distribute it to medium and lower voltage load centers. The new PDC to be constructed will be approximately 800 square feet. It will support a new 187,000 square foot academic building that is currently under construction and anticipated to be ready for occupancy in December 2027, a new cancer hospital that is anticipated to be completed by 2031, and a new research building and a facility shop building that are anticipated to be constructed starting in 2029. The PDC's are not manned.

Financial Impact: The project will be funded from Other, Clinical Revenue Funds (uncommitted balance $30 million at May 19, 2026). Clinical Revenue Funds are generated by Patient Services. The project is expected to result in an increase of $5,000 (years 1 thru 3) in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. Currently, there is no portion of tuition designated for capital improvements.

Full Project Estimate: $30,000,000 (internal) funded from Clinical Revenue Funds.

(e) Project: JBRC Item 7: Tri-County Technical College
H59.6387: Pearman Dairy Road Land Acquisition

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/- 3.35 acres in Anderson County.

Included in CPIP: No – The property was not available for purchase during the 2025 CPIP submission process.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College				20,000	20,000
All Sources				20,000	20,000

Rationale: Acquisition of the property will expand the campus footprint and will allow for future academic expansion on the Anderson Campus.

Characteristics: The property is adjacent to the Anderson Campus, providing opportunity for improved access to existing property and academic program expansion. The property is undeveloped and there are no buildings located on the property.

Financial Impact: The property is offered by Tri-County Technical College Foundation, LLC for $375,000 which is the amount the foundation paid for the property. Regardless of the appraised value the college will not pay more than what the foundation paid for the property. The due diligence activities will be funded from Other, College Funds (uncommitted balance $11.41 million at February 28, 2026). College Funds are the cumulative excess of revenues over expenses that are set aside to fund capital projects and major renovations. If acquired, no immediate construction will be completed on the property. The acquisition is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: $395,000 (internal) funded from College Funds.

(f) Project: JBRC Item 8: Trident Technical College
H59.6363: Palmer Campus Roof Replacement

Request: Establish Phase II Full Construction Budget to replace the roof systems on the Palmer Campus Building.

Included in CPIP: Yes – 2025 CPIP Priority 3 of 4 in FY26 (estimated at $4,300,000)
Phase I Approval: August 2025 (estimated at $4,300,000) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B)(27)(n)(i) (Maintenance, Renovation, & Replacement)	64,500		64,500	3,237,930	3,302,430
All Sources	64,500		64,500	3,237,930	3,302,430

Summary of Work: The project will repair and replace the 3 roof systems to include the roof deck, soffit, and fascia. The roof systems to be installed have been evaluated by the Department of Administration, have been determined to comply with JBRC policy, and will come with the minimum 20-year material and workmanship warranty.

Rationale: The existing roof systems have exceeded their useful life. Coatings and patches have been installed over different areas in the past to extend the life of each roof, but numerous leaks occur when it rains. Continued patching to prevent water intrusion is no longer feasible, per the college.

Facility Characteristics: The Palmer Campus Building totals 103,077 square feet and was constructed between 1960 (66 years old) and 2006 (20 years old). The original classroom building was constructed in 1960 (66 years old), and the existing roof was installed in 1985 (41 years old). A Dean's Suite and Library addition was constructed in 1999 (27 years old), and the roof is original to construction. The kitchens at the Culinary Institute of Charleston and the new entrance addition was constructed in 2006 (20 years old), and the roof is original to construction. The 3 existing roof systems cover approximately 69,900 square feet. The facility houses Business Technology, the Culinary Institute of Charleston, Engineering and Construction, Film Media and Visual Arts, Health Sciences, Humanities and Social Sciences, Nursing, campus administration, IT, the Veterans' Center, Humanities and Social Science offices, the bookstore, Public Safety, a biological sciences lab, a library, and an amphitheater. The building can accommodate up to 1,100 students per semester, 72 faculty and staff, and 360 high school students.

Financial Impact: The project will be funded from FY23 Appropriated State (nonrecurring) Funds (uncommitted balance $4.24 million at May 7, 2026). The project is expected to result in a decrease of $25,000 (year 1), $27,000 (year 2), and $30,000 (year 3) in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: $3,302,430 funded from Appropriated State (nonrecurring) Funds. Contract execution is expected in March 2027 and completion of construction in August 2027.

(g) Project: JBRC Item 9: State Board for Technical & Comprehensive Education
H59.6388: readySC OCTC 700 Building Upfit

Request: Establish Phase I Pre-Design Budget to upfit a portion of the 700 Building on the Orangeburg Calhoun Technical College campus.

Included in CPIP: No – The need for this project was unknown during the 2025 CPIP submission process.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY22 Capital Reserve (25), (readySC)				28,800	28,800
All Sources				28,800	28,800

Summary of Work: The project will renovate and upfit a portion of the building that will include reconfiguration of existing space, new flooring, electrical, HVAC, plumbing work, and painting. All work will be to the internal infrastructure of the building.

Rationale: This renovation will serve the specific functions and needs of Ferrara Candy Company to provide training for new employees. The training will be provided by readySC in coordination with Ferrara. Ferrara will be creating 900 to 1,000 jobs in Orangeburg and the surrounding area.

Facility Characteristics: The 700 Building is approximately 14,000 square feet and was constructed in 1976 (50 years old). Approximately 8,500 square feet will be renovated in this project. The HVAC roof top units that feed this portion of the building are roughly 5 years old and will remain. All mechanical upgrades will be to the interior of the building for equipment and fixtures that are 40 years or older. The space will be utilized by approximately 10 to 15 readySC and Ferrara personnel. There will be hundreds of employees utilizing the space for training

Financial Impact: This phase of the project will be funded from FY22 Capital Reserve Funds (uncommitted balance $1.19 million at May 21, 2026). The project is expected to result in an increase of $90,000 (years 1 thru 3) in annual operating expenditures.

Full Project Estimate: $1,920,000 (internal). Phase II will be funded from $1,192,265 in FY22 readySC Capital Reserve and $727,735 in FY23 readySC Capital Reserve Funds.

(h) Project: JBRC Item 10: Department of Administration
D50.6209: Calhoun Building - Hallway Lighting and Interlocking Ceiling Tile Replacement

Request: Establish Phase I Pre-Design Budget to replace the ceiling grid/tiles and replace/upgrade the office lighting.

Included in CPIP: Yes – 2025 CPIP Priority 15 of 17 in FY27 (estimated at $300,000)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State				9,500	9,500
All Sources				9,500	9,500

Summary of Work: The project will replace the ceiling grid and associated ceiling tiles and replace/upgrade the office lighting in the building. The work includes associated electrical work required to replace the LED lighting and abatement of hazardous materials as needed. The interlocking tiles are only located on floors 2, 3, 4, and 5 of the building, however it is anticipated that the current budget will only allow for floors 3, 4, and 5 to be addressed, which are the most critical. If the budget allows, upgrading the ceiling tiles and lighting on the 2nd floor will also be completed.

Rationale: The ceiling tiles are no longer manufactured and are difficult to source when replacement is needed. The office currently has fluorescent lights that will be replaced with more energy efficient LED lights to improve lighting conditions for staff.

Facility Characteristics: The Calhoun Building is approximately 96,672 square feet and was constructed in 1926 (100 years old). Floors 3, 4, and 5 total approximately 38,213 square feet. The building has undergone major renovations in 1954 (72 years ago), 1983 (43 years ago), and 2013 (13 years ago). The 2013 renovation included the basement and 1st floor and did not address any other floors of the building. The building is utilized by the South Carolina Judicial Branch. Approximately 190 Judicial Branch personnel and various visitors utilize the building daily.

Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance $12.35 million at July 1, 2026). The project is expected to result in a decrease in annual operating costs, but that amount has not yet been determined.

Full Project Estimate: $300,000 (internal) funded from Appropriated State Funds. The Phase I amount requested is 3.17% of the estimated cost to complete the project and the additional amount will be used to cover hazardous material testing.

(i) Project: JBRC Item 11: Department of Administration
D50.6194: Federal Surplus - Replace Federal Surplus Warehouse

Request: Establish Phase II Full Construction Budget to construct a replacement surplus warehouse building.

Included in CPIP: Yes – 2025 CPIP Priority 19 of 32 of FY26 (estimated at $10,910,000)
Phase I Approval: October 2025 (estimated at $10,910,000) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Federal Surplus	175,000		175,000	1,968,031	2,143,031
Other, State Surplus				8,036,366	8,036,366
Other, Fleet Management				535,758	535,758
All Sources	175,000		175,000	10,540,155	10,715,155

Summary of Work: The project will construct a new federal surplus warehouse building. The existing building will be demolished as part of this project. The roof systems have been evaluated by the Department of Administration, has been determined to comply with JBRC policy, and will come with the minimum 20-year material and workmanship warranty.

Rationale: The existing warehouse is approximately 22,400 square feet, was constructed prior to 1940 (86+ years old), and is in disrepair. It does not meet the current needs of the state surplus program which provides support to the federal surplus program, federal surplus fleet program, state fleet management, and the Emergency Management Division during periods of activation.

Facility Characteristics: The replacement Federal Warehouse Building to be constructed will be approximately 38,000 square feet consisting of approximately 35,000 square feet of warehouse space with an attached 3,000 square foot operations building. The building will be utilized by 25 staff, which oversee the federal, state, and fleet management surplus programs. The building also receives various visitors daily.

Financial Impact: This phase of the project will be funded from Other, Federal Surplus Program (uncommitted balance $2.39 million at May 22, 2026), Other, State Surplus Program (uncommitted balance $8.29 million at May 22, 2026), and Fleet Management Funds (uncommitted balance $14.56 million at May 22, 2026). Federal Surplus Program Funds are derived from the sale of federal surplus property. State Surplus Program Funds are from service charge revenue derived from the sale of state surplus property. Fleet Management Funds are derived from the Fleet Management Program. The replacement building being constructed is not required to meet LEED Silver or Two Green Globes certification standards because there will be no air conditioned space in the building. Endeavors will be made to ensure that all installations of equipment and systems are energy efficient for responsible energy consumption and energy conservation. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $10,715,155 funded from Federal Surplus Program, State Surplus Program, and Fleet Management Funds. Contract execution is expected June 2027 and completion of construction June 2029.

(j) Project: JBRC Item 12: Office of the Adjutant General
E24.9851: McEntire Joint National Guard Base Land Purchase - Coalie Martin Tract Purchase

Request: Establish Final Land Acquisition to purchase approximately +/- 43.8 acres of land in Richland County.

Included in CPIP: Yes – 2025 CPIP Priority 17 of 23 in FY26 (estimated at $951,450)
Phase I Approval: November 2023 (estimated at $175,450) (JBRC Staff)
Phase I Increase Approval: December 2025 (estimated at $951,450 (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY20 Appropriated State, Proviso 118.16 (B)(18)(c), (McEntire Joint National Guard Base – Land Management)	15,450	6,000	21,450	950,000	971,450
All Sources	15,450	6,000	21,450	950,000	971,450

Rationale: If acquired, the property will establish a complete "south-end clear zone" of runway at the base. Runway clear zones are 3,000 feet by 3,000 feet ground areas required at both ends of the runway. Clear zones are required for the runway and should be either owned or protected under a long-term lease as stated in UFC3-260-01. These areas possess a high potential for accidents, and their use is restricted to be compatible with aircraft operations. The 169FW does not currently own or have restrictive easements for all of the land for the southern clear zone.

Characteristics: The property to be purchased consists of 4 separate parcels that total +/- 43.8 acres located at 1000 Gus Lane in Hopkins. This property is privately owned but surrounded by government owned lands. Access to these parcels is by a public road ending at the government's boundary, then by private road running through government lands within feet of the installation's security fence. The property includes a 1-story garage shop containing approximately 2,000 square feet and a 1-story 2-door detached garage containing approximately 560 square feet for a combined total of 2,560 SF. These buildings will be utilized for storage only.

Financial Impact: The property is offered by Martin Colie Blease, III for $925,000. The acquisition will be funded from FY20 Appropriated State (nonrecurring) Funds (uncommitted balance $2 million at June 18, 2026). An appraisal completed in January 2026 valued the property at $951,100. A Phase I Environmental Site Assessment completed in March 2024 found no evidence of recognized environmental conditions in connection with the property. A Business Environmental Risk (BER) was noted due to a surface water outfall located along the northwestern site boundary. There is a Federal/Air Force Remedial Investigation and Feasibility Study in process to conduct site inspections and studies to determine if and where migration of perfluorinated compounds, which are commonly known as "forever chemicals", may have occurred, and includes new residential sampling criteria and levels. There are no conclusions at this time. A sampling was performed in 2018 at the outfall and documented presence of perfluorinated compounds, which are commonly known as "forever chemicals". The outfall is located on agency owned property and is monitored by the Federal Government. The agency has indicated that there is no impact to the intended use of the property since it will be utilized as a buffer zone. A Building Condition Assessment is not required because the buildings located on the property are not contemplated for occupancy by state

employees or the public. Letters of support have been received from Richland County Council and Richland School District One authorizing the removal of the property from the tax rolls. The acquisition is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $971,450 funded from Appropriated State (nonrecurring) Funds. This request includes $25,000 to cover closing costs. Past authorizations included $6,000 for a land appraisal and $15,450 in other professional services.

(k) Project: JBRC Item 13: Department of Veterans Affairs
E26.9911: MJ Dolly Cooper Veterans Cemetery Irrigation Improvements

Request: Establish Phase I Pre-Design Budget to install an in ground irrigation system.

Included in CPIP: No – The project was excluded from the 2025 CPIP submission in error.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Deferred Maintenance				24,000	24,000
All Sources				24,000	24,000

Summary of Work: The project will install an in ground irrigation system. The work includes trenching, installation of main and lateral irrigation lines, automated valves, sprinkler heads, and a programmable central controller capable of operating during non-visitation hours.

Rationale: The existing watering system is a manual hose reel watering method. The existing hose reel system requires staff to manually deploy, monitor, and retrieve hoses daily. This process disrupts the visitor experience because watering must occur during open hours, and visitors often must wait for staff to shut off water before accessing a loved one's grave site. An in ground system will provide consistent, efficient watering across all turf and landscaped areas within the cemetery grounds and eliminate disruptions by enabling automated watering during closed hours. It ensures uniform turf health, reduces visible equipment in burial sections, and enhances the overall appearance and accessibility of the cemetery.

Facility Characteristics: The MJ "Dolly" Cooper Veterans' Cemetery is +/- 57.3 acres and was constructed in 2007 (19 years old). The above ground manual watering system is original to construction. The in ground irrigation system will be installed throughout +/- 21.76 acres. The cemetery has 13 staff with approximately 7,350 visitors annually and 508 internments in the past 12 months.

Financial Impact: The project will be funded from Other, Deferred Maintenance Funds (uncommitted balance $111.2 million at May 15, 2026). Revenue in this fund are appropriated and authorized for the operation of State Veterans Homes and are used for operations, deferred maintenance, capital projects, ordinary repair, and maintenance of the State Veterans Homes. The project is expected to result in a decrease of $19,500 (year 1), $20,280 (year 2), and $21,060 (year 3) in annual operating expenditures.

Full Project Estimate: $1,600,000 (internal) funded from Deferred Maintenance Funds.

(l) Project: JBRC Item 14: Department of Veterans Affairs
E26.9912: Veterans Victory House Laundry Room Improvements

Request: Establish Phase I Pre-Design Budget to renovate the laundry area in the nursing home.

Included in CPIP: No – The project was initially planned to be completed as part of a series of minor construction and equipment replacements which cost less than $250k, and therefore not included in 2025 CPIP submission. After further review it was determined that one larger project would be advantageous.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Deferred Maintenance				21,615	21,615
All Sources				21,615	21,615

Summary of Work: The project will replace the laundry equipment, laundry boilers/domestic hot water equipment, associated plumbing/electrical/mechanical, flooring, ceiling, lighting, and complete limited demolition. Temporary provisions needed to maintain facility operations during construction will also be addressed.

Rationale: Replacement parts for repairs to the laundry equipment are becoming costly and with the age of the existing equipment, repairs are becoming more frequent. Replacement of the equipment and improvements to the laundry area will ensure the facility continues to meet regulatory requirements.

Facility Characteristics: The Veteran Victory House Energy Plant is 12,804 square feet and was constructed in 2006 (20 years old). The laundry area is a 2,150 square foot addition that was constructed in 2008 (18 years old). The building and systems impacted by this project are original to construction of the laundry area. The nursing home houses 220 veterans and has 225 staff and support personnel.

Financial Impact: The project will be funded from Other, Deferred Maintenance Funds (uncommitted balance $111.2 million at May 15, 2026). Revenue in this fund is appropriated and authorized for the operation of State Veterans Homes and are used for operations, deferred maintenance, capital projects, ordinary repair, and maintenance of the State Veterans Homes. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $1,441,000 (internal) funded from Deferred Maintenance Funds.

(m) Project: JBRC Item 15: South Carolina Educational Television Commission
H67.9534: TCC Fire Suppression System

Request: Establish Phase II Full Construction Budget to replace the existing fire suppression system in the Telecommunications Center.

Included in CPIP: Yes – 2025 CPIP Priority 5 of 6 in FY26 (estimated at $400,000)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY26 Appropriated State, Proviso 118.22 (B)(7)(c), (Fire Suppression)				400,000	400,000
All Sources				400,000	400,000

Summary of Work: The project will install a non-water-based fire suppression system in the server room. A gas or chemical agent will be installed as a first line of defense for fire in the technical area.

Rationale: The server room supports all IT and broadcast operations for SCETV. A clean agent fire suppression system is necessary to protect the equipment from being damaged in the event of fire. This system would also keep the main sprinkler system from discharging and damaging the electronic equipment in the area. The current fire suppression system is outdated and water based, which would damage all equipment and systems if deployed. A non-water fire suppression system will strengthen protection of the agency's video and technology assets.

Facility Characteristics: The Telecommunications Center is 257,000 square feet and was constructed in 1993 (33 years old). The server room is 9,000 square feet. The server room and existing water-based fire suppression system are original to construction. The building is utilized for television and radio productions, facility rentals, and staff office space. There are 250 staff located in the building.

Financial Impact: The project will be funded from FY26 Appropriated State (nonrecurring) (uncommitted balance $400k at May 20, 2026). The project is expected to result in an increase of $500 (years 1 thru 3) in annual operating expenditures.

Full Project Estimate: $400,000 (internal) funded from Appropriated State (nonrecurring) Funds. This project is being requested for establishment at Phase II, because it is fully funded from legislatively authorized funds. Contract execution is expected in April 2027 and completion of construction in March 2028.

(n) Project: JBRC Item 16: School for the Deaf and Blind
H75.9555: Henderson Hall Dorm Renovations

Request: Increase Phase II Full Construction Budget to cover higher than anticipated bid costs complete the project.

Included in CPIP: Yes – 2025 CPIP Priority 5 of 5 in FY26 (estimated at $3,850,000)
Phase II Approval: February 2024 (estimated at $2,000,000) (Admin.)
Phase II Increase Approval: October 2024 (estimated at $3,500,000) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B)(6), (Renovation of Educational Buildings)	2,000,000	1,500,000	3,500,000	350,000	3,850,000
All Sources	2,000,000	1,500,000	3,500,000	350,000	3,850,000

Summary of Work: The project will renovate the dormitory. Renovations include flooring, painting, updated restrooms, updated mechanicals, updated piping, new doors, and a new design and flow of the building. The dormitory will almost be completely gutted and shaped back into a newly updated dormitory.

Rationale: The project was originally established before an architect was consulted and was based on an internal cost estimate. The original plan was to modernize and "facelift" the existing structure as is. During the A&E design process, changes to enhance functionality and exceed minimum ADA requirements were made that included moving bathrooms to different locations, re-wiring for greater connectivity and HVAC plumbing. These changes along with the cost estimate provided by the A&E resulted in the need to increase the project budget. The increase was approved in October 2024 with a goal of going out to bid in early 2025. During that time the agency experienced multiple events that lead to the delay in the project going out for bid. There was a change in project management personnel that impacted the project timeline as well as a water pressure issue in the fire suppression system. Bids received in April 2026 came in over the current project budget due to escalating cost for supplies, materials, and labor due to project delays as well as asbestos and lead paint abatement being a larger issue than originally anticipated. This dormitory is not currently being utilized and needs to be updated before it can be used to house students again.

Facility Characteristics: Henderson Hall is 9,600 square feet and was constructed in 1927 (99 years old). The last renovation was completed in 1983 (43 years ago). The lower level of the building is anticipated to be used for education classrooms, and the upper level will be used for residential dorm space for students. The project will benefit approximately 40 students and 10 staff.

Financial Impact: The project will be funded from FY23 Appropriated State (nonrecurring) Funds (uncommitted balance $350k at May 6, 2026). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $3,850,000 funded from Appropriated State (nonrecurring) Funds. Contract execution is expected in August 2026 and completion of construction in November 2027.

(o) Project: JBRC Item 17: Department of Behavioral Health & Developmental Disabilities
J08.9890: McLendon Roof Replacement (2026) - Recovery Solutions of SC, LLC

Request: Establish Phase I Pre-Design Budget to replace the roof on the building.

Included in CPIP: No – A 2025 CPIP was not submitted due to the dissolution of DMH.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Recovery Solutions of SC, LLC Contract Commitment				5,249	5,249
All Sources				5,249	5,249

Summary of Work: The project will remove and replace the low-slope membrane roof on the McLendon Psychiatric Facility. All roofing material options will be evaluated during the Phase I process.

Rationale: The roof is experiencing multiple leaks and the adhesive on the existing Ethylene Propylene Diene Monomer (EPDM) materials has failed.

Facility Characteristics: The McLendon Psychiatric Treatment Facility is 131,094 square feet and was constructed in 1965 (61 years old). It is located on the Crafts Farrow State Hospital Campus located in Columbia. The existing roof is approximately 54,000 square feet and the age is unknown. The facility is occupied by approximately 300 patients and 400 staff.

Financial Impact: This phase of the project will be funded from Other, Recovery Solutions of SC, LLC (uncommitted balance $340k at June 3, 2026). The facility is operated and maintained by Recovery Solutions of South Carolina, LLC (f/k/a Correct Care of South Carolina, LLC) and under contract with the agency. Recovery Solutions is required by its contract to fund all project costs except for third party inspections. The agency will contract separately with and pay the cost of a third party inspections firm to provide inspections and quality assurance services, in accordance with SC Office of State Engineer (OSE). The agency will coordinate project review, permitting, and inspections required by the SC Department of Public Health and Office of the State Engineer, but, Recovery Solutions of South Carolina, LLC will pay the costs of such review and permitting, as well as construction costs. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $349,950 (internal). Phase II will be funded from $339,950 in Recovery Solutions of SC and $10,000 in Capital Improvement & Maintenance Funds.

(p) Project: JBRC Item 18: Department of Behavioral Health & Developmental Disabilities
J08.9885: Bryan Psychiatric Hospital - Administration Building Elevator Modernization

Request: Establish Phase II Full Construction Budget to modernize the elevator in the building.

Included in CPIP: No – A 2025 CPIP was not submitted due to the dissolution of DMH.
Phase I Approval: February 2026 (estimated at $576,000) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	8,640		8,640	571,877	580,517
All Sources	8,640		8,640	571,877	580,517

Summary of Work: The project will modernize the hydraulic passenger elevator in the two-story administration building.

Rationale: The majority of the mechanical, electrical, and control systems are beyond their useful life, causing frequent equipment outages of increasing duration, resulting in noncompliance with the Americans with Disabilities Act.

Facility Characteristics: The Bryan Psychiatric Hospital Building is 20,973 square feet and was constructed in 1975 (51 years old). The elevator and components are original to the building. The building houses hospital administration offices including medical records, admissions and discharge. Additionally, it is utilized by approximately 70 staff and has the capacity to serve approximately 200 patients.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance $27.78 million at May 20, 2026). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposits 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 not expected to result in any change in annual operating expenditures.

Full Project Estimate: $580,517 funded from Capital Improvement & Maintenance Funds. Contract execution is expected in February 2027 and completion of construction in February 2028.

(q) Project: JBRC Item 19: SC Governor's School for Agriculture at John De La Howe
L12.9528: Agriculture Mechanics Shop

Request: Increase Phase II Full Construction Budget to cover higher than anticipated costs to complete the project.

Included in CPIP: No – The need for the increase was unknown during the 2025 CPIP submission process.

Phase I Approval: December 2023 (estimated at $1,300,000) (Admin.)

Revise Scope and Phase II Approval: July 2024 (estimated at $1,300,000) (Admin.)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(4)(a), (Agriculture Shop)	19,500	1,280,500	1,300,000		1,300,000
Appropriated State, Operating				46,816	46,816
All Sources	19,500	1,280,500	1,300,000	46,816	1,346,816

Summary of Work: The project was established to construct a 5,000 square foot state of the art mechanics shop. After consultation with the A&E firm, the decision was made to revise the project scope to repurpose and renovate a portion of the L.S. Brice School instead. The work included removing some walls to create a wide-open floor space, running new electrical, inserting two 20x14 foot glass roll-up doors, turning two shower rooms into storage areas, painting, flooring, and adding security cameras and replacing HVAC systems. New ventilation and ceiling fans were also installed on the shop floor along with new gas heaters. This increase is needed to complete the painting and replacement of the two HVAC systems that support the building.

Rationale: After completion of most of the project's scope of work there was not enough funding available to complete the painting and to replace the building's two HVAC systems. Renovating this facility will provide staff an environment to fully utilize their teaching abilities and allow students to significantly enhance their learning experience.

Facility Characteristics: The L.S. Brice School is 14,000 square feet and was constructed in 1974 (52 years old). The portion of the facility to be renovated is 5,650 square feet. It will house various agriculture classes. Approximately 105 students, 4 teachers, and 20 staff along with various visitors will utilize the renovated space.

Financial Impact: This increase will be funded from Appropriated State, Operating Funds (uncommitted balance $247k at June 30, 2026). The project is expected to result in an increase of $10,000 (years 1 thru 3) in annual operating expenditures.

Full Project Estimate: $1,346,816 funded from Appropriated State (nonrecurring) and Appropriated State, Operating Funds. Contract execution is expected in September 2026 and completion of construction in February 2027 for the remaining work to be completed.

(r) Project: JBRC Item 20: Department of Corrections
N04.9810: Allendale CI-PI 2 to Classrooms

Request: Establish Phase I Pre-Design Budget to renovate the Prison Industries Building into a training facility.

Included in CPIP: No – The need for the project was unknown during the 2025 CPIP submission process.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				15,000	15,000
All Sources				15,000	15,000

Summary of Work: The project will renovate a portion of the building to create 6 classrooms. The work will include the installation of additional systems that include an evacuation system for the welding shop, HVAC for the classrooms, and electrical to support all the equipment. The work will be completed by outside contractors.

Rationale: The correctional institution does not currently offer carpentry, welding, electrical, HVAC, plumbing, or brick masonry educational programs. Renovating space in the building will allow the institution to provide these programs which will help with rehabilitation so when released, these individuals will have a job skill.

Facility Characteristics: The Prison Industries Building is 24,871 square feet and was constructed in 1999 (27 years old). The building is currently vacant. Approximately 12,400 square feet will be renovated in this project. The renovated space will be used to provide carpentry, electrical, plumbing, HVAC, brick masonry, and welding/pipe fitting education for inmates at the institution. It is anticipated that there will be 10 instructors and approximately 70 students.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance $20.62 million at May 20, 2026). The project is expected to result in additional annual operating costs, but that amount has not yet been determined.

Full Project Estimate: $1,673,100 (internal) funded from Appropriated State, Operating Funds.

(s) Project: JBRC Item 22: Department of Juvenile Justice
N12.9639: Infirmary

Request: Establish Phase II Full Construction Budget to construct a new infirmary.

Included in CPIP: Yes – 2025 CPIP Priority 1 of 13 in FY26 (estimated at $15,000,000)

Phase I Approval: June 2025 (estimated at $15,000,000) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY25 Appropriated State, Proviso 118.20 (B)(50)(c), (Master Plan Implementation)	225,000		225,000	14,775,000	15,000,000
Appropriated State, Operating				4,000,000	4,000,000
All Sources	225,000		225,000	18,775,000	19,000,000

Summary of Work: The project will replace the existing infirmary, the dental modular, and infirmary office annex with a new larger up-to-date building. The work includes site work on the proposed area of construction, the addition of underground utilities, and parking lot/drive lane access. The roof has been evaluated by the Department of Administration and has been determined to comply with JBRC policy and will come with the minimum 20-year material and workmanship warranty.

Rationale: The existing three buildings are not within the new security perimeter, and the footprint of these buildings is insufficient resulting in fragmented services across multiple buildings. The new facility will allow services to be consolidated into a single structure located on the secured side of the Midlands Evaluation and Development Center (formerly Broad River Road Complex). This new infirmary aligns with the recommendation of the agency's most recent master plan completed in May of 2024. It will also enable the agency to replace three outdated and inadequate buildings currently in use and allow two of those buildings to be available for upgrade for use as office space in the future.

Facility Characteristics: The existing infirmary is approximately 6,763 square feet and was constructed in 1972 (54 years old). The existing dental modular is 1,000 square feet and was constructed in 1985 (41 years old). The existing infirmary office annex is 1,709 square feet and was constructed in 2008 (18 years old). The new building to be constructed will be approximately 19,144 square feet. It will serve all the juveniles under the department's jurisdiction for clinical examinations, dental care, patient assessments, first aid, basic treatment, provide a place for the rest and recovery of youth patients, and provide office space for medical and clerical staff. Approximately 33 staff will occupy the new facility.

Financial Impact: This phase of the project will be funded from FY25 Appropriated State (nonrecurring) (uncommitted balance $14.78 million at May 18, 2026) and Appropriated State, Operating Funds (uncommitted balance $4.47 million at May 18, 2026). The project is expected to result in an increase of $47,500 (years 1 thru 3) in annual operating expenditures.

Full Project Estimate: $19,000,000 funded from Appropriated State (nonrecurring) and Appropriated State, Operating Funds. The estimated cost to complete the project has increased from the 2025 CPIP and the Phase I amount due to market-driven cost escalation, required temporary security measures, and verified programming needs identified during schematic design. Contract execution is expected in February 2027 and completion of construction in July 2029.

(t) Project: JBRC Item 23: Forestry Commission
P12.9613: Lost Creek Project

Request: Establish Final Land Acquisition to purchase +/- 71 acres in Richland County.

Included in CPIP: Yes – 2025 CPIP Priority 3 of 4 in FY26 (estimated at $1,433,000)
Phase I Approval: October 2025 (estimated at $1,453,000)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Timber Sales Revenue	20,000		20,000		20,000
Other, SC Conservation Bank				1,345,500	1,345,500
Other, Richland County				75,000	75,000
Other, Midlands Southern Off Road Bicycle Association				7,500	7,500
Other, Friends of Harbison State Forest				5,000	5,000
All Sources	20,000		20,000	1,433,000	1,453,000

Rationale: This property and surrounding area are in eminent danger of being lost to development. After acquisition, the property will become an expansion of the Harbison State Forest. Acquisition of the property will protect it from development and will allow the trail system to be enlarged.

Characteristics: The property is located in the Harbison area adjacent to the Harbison State Forest. It is undeveloped, and in 2017 was clearcut and left for natural regeneration.

Financial Impact: The property is being offered by Family Land, LLC to Congaree Land Trust for $1,433,000. Congaree Land Trust is offering the property to the Forestry Commission for $1,433,000. The acquisition will be funded from Other, SC Conservation Bank (uncommitted balance $1.35 million at May 21, 2026). Other, Richland County (uncommitted balance $75k at May 21, 2026), Other, Midlands Southern Off Road Bicycle Association (uncommitted balance $8k at May 21, 2026), and Other, Friends of Harbison State Forest Funds (uncommitted balance $5k at May 21, 2026). An appraisal completed in March 2026 valued the property at $1,505,000. A Phase I Environmental Site Assessment completed in March 2026 found no evidence of recognized environmental conditions in connection with the property. A Building Condition Assessment is not required because there are no buildings located on the property. Letters of support have been received from Richland County and Lexington Richland School District Five authorizing the removal of the property from the tax rolls. No construction or renovation is planned to be completed after acquisition. The acquisition is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $1,453,000 funded from Timber Sales Revenue, SC Conservation Bank, Richland County, Midlands Southern Off Road Bicycle Association, and Friends of Harbison State Forest Funds.

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

(u) Project: JBRC Item 24: Department of Natural Resources
P24.6156: Georgetown - Samworth-Carr Complex Dike Restoration

Request: Establish Phase I Pre-Design Budget to repair and restore the dike system at the Carr Complex in Georgetown County.

Included in CPIP: No – The need for the project was unknown during the 2025 CPIP submission process.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B)(44)(e), (nonrecurring), (Fish Hatcheries and State Lakes Maintenance & Repair)				59,982	59,982
All Sources				59,982	59,982

Summary of Work: The project will repair and restore the dike system at the Carr Complex. The work will consist of dike reshaping and re-topping, canal cleanout, the installation of new dikes and berm re-establishment, removal of existing trunks, and the installation of new trunks and access aprons with pipes. Material for refurbishing the dikes will come from the existing canal located inside the impoundment. To repair the dikes and install the trunks, earth-moving equipment such as a track-hoe must be mobilized and transported by barge to the island.

Rationale: Recent deterioration of the dikes due to Tropical Storm Debbie and other high-water cycles created an urgency for these impoundments. Repairs and renovations to the existing dike system will allow staff to effectively manage habitat within the impoundments primarily for migratory waterfowl utilizing the Atlantic Flyway. Numerous wading birds, reptiles and amphibians will benefit from this management. This project will result in providing wintering forage for waterfowl during the winter and before they migrate back north to nest. It also allows the ability to provide waterfowl hunting opportunity as part of the DNR public lottery waterfowl hunts as well as providing public waterfowl hunting opportunity outside of the dikes on the public waterway. Other wading birds, reptiles, and amphibians also use the impoundments inside the dike system.

Facility Characteristics: The dike system supports the Carr Complex containing 52 acres of managed palustrine emergent wetlands on Samworth WMA in Georgetown County.

Financial Impact: This phase of the project will be funded from FY23 Appropriated State (nonrecurring) Funds (uncommitted balance $225k at May 22, 2026). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $3,998,760 (internal). Phase II will be funded from $2,277,678 in Appropriated State (nonrecurring), $961,432 in SCCB North American Wetlands Conservation Grant State Match, and $759,650 in Fish & Wildlife Protection Funds.

(v) Project: JBRC Item 27: Department of Natural Resources
P24.6153: Richland – Wateree Range – Love Farm Land Acquisition
(Schraibman)

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/- 114 acres and three buildings in Richland County.

Included in CPIP: No – The property was not available for purchase during the 2025 CPIP submission process.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(37)(b), (Habitat Protection and Land Conservation Acquisitions)				50,000	50,000
All Sources				50,000	50,000

Rationale: Acquisition of this property will allow for overflow parking, good sound and property buffer, and as a camp site for visitors from the complex across the road. The property also represents an opportunity for valuable recreational fishing and aquatic education. If acquired, the property will add to the larger footprint of protected lands that includes Wateree River HP and WMA to the north and additional eased land to the west and east.

Characteristics: The property is located across the road from the State Shooting Complex in lower Richland County off Vanboklen Road. The property is composed of early successional hardwoods that have come up in old agriculture fields. Areas on the hillside on the south side of the pond have mixed hardwoods dominated by white oak and hickory and 25 acres of uplands, which include game fields and mowed lawn. A stream-fed 13 acre pond is located on site that the landowner claims is approximately 12 feet deep at full pool and has been stocked many times over the last 40 years; however, the 2015 flood caused overland flow, bringing in other fish species while losing stocked species to the stream. The landowner says it now contains bass, bream, and crappie, but once also had catfish. Birds noted included American crow, piliated woodpecker, various wintering songbirds, and white-eyed vireo (old nest). There is a small blackwater stream running from the southern property line and then exiting to cross Vanboklen Road. Its headwaters are about 1.5 miles to the southwest and it flows through SCDNR's Love Range and into the Wateree River. There is a small house and two barn/sheds constructed in 1968 (58 years old) located on the property.

Financial Impact: The property is offered by AGMC Farms, LLC, for not more than appraised value, which is anticipated to be $1,300,000. The due diligence activities will be funded from FY24 Appropriated State (nonrecurring) Funds (uncommitted balance $13.87 million at May 26, 2026). The seller has applied for a US Department of Defense Readiness & Environmental Protection Integration Program grant. If awarded, the seller will reduce the price of the property by the grant amount awarded. If acquired, no construction or renovations will be completed on the property. The acquisition is expected to result in an increase of $10,000 (year 1) and $5,000 (years 2 thru 3) in annual operating expenditures.

Full Project Estimate: $1,350,000 (internal). The Preliminary Land Acquisition request includes additional funds to survey and mark three boundary sides and to assess a 13-acre pond. The Final Land Acquisition will be funded from $975,000 in USFWS Conservation Investment and $325,000 in Fish & Wildlife Protection Funds.

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

(w) Project: JBRC Item 29: Department of Parks, Recreation, and Tourism
P28.9872: Redcliffe Plantation Historic Structures

Request: Change Source of Funds and Establish Phase II Full Construction to reconstruct the Redcliffe Slave Quarters.

Included in CPIP: No – The need for the project was unknown during the 2025 CPIP submission process.

Phase I Approval: March 2026 (estimated at $906,174) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Park Revenue	13,593		13,593	(13,593)	
Federal, Historic Preservation Grant				755,200	755,200
All Sources	13,593		13,593	741,607	755,200

Summary of Work: The project will reconstruct a saddlebag clapboard-sided structure at Redcliffe Plantation. The work includes foundation work, timber framing, pine siding, doors and windows, brick piers, pine tongue and grove flooring, and exterior painting. Salvageable materials will be reused, with others repurposed for interpretive exhibits. The roof has been evaluated by the Department of Administration and has been determined to comply with JBRC policy and will come with the minimum 20-year material and workmanship warranty.

Rationale: The structure was destroyed by Hurricane Helene in 2024. Restoring the structure will expand educational programming, provide visitor shelter, and create a flexible gathering space. Restoring it will also restore a rare and essential resource for understanding the site's history. Redcliffe maintains strong environmental mitigation practices and remains committed to preserving its historic landscape.

Facility Characteristics: The building is 800 square feet and was constructed in 1857 (169 years old). It was originally built to house two of the enslaved families who built and sustained Redcliffe Plantation, the home of prominent South Carolina politician James Henry Hammond. The structure evolved from housing for enslaved families to tenant housing, then to storage, and finally a garage and chauffeur's quarters. The park has an estimated 5,000 visitors per year.

Financial Impact: The project will be funded from Federal, Historic Preservation Grant Funds (uncommitted balance $755,200 at March 30, 2026). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $755,200 funded from Historic Preservation Grant Funds. Contract execution is expected in August 2026 and completion of construction in June 2029.

(x) Project: JBRC Item 31: Patriots Point Development Authority
P36.9546: Patriots Point Landside Village

Request: Revise Scope, Change Project Name and Establish Phase II Full Construction Budget to construct a permanent retail village.

Included in CPIP: No – The project was omitted in error from the 2025 CPIP submission.
Phase I Approval: March 2026 (estimated at $2,635,812) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Admissions Revenue	122,430		122,430	3,454,958	3,577,388
All Sources	122,430		122,430	3,454,958	3,577,388

Summary of Work: The project was established to construct a temporary retail village using modular prefabricated units and renovate an existing Quonset hut until a new permanent building could be constructed. This revise scope request will create and construct a permanent landside village at Patriots Point using the existing Quonset hut and adding container and fabricated modular units to house retail, food service, ticketing, support, IT, gathering, meeting, and restroom functions to support ongoing operations.

Rationale: Many of these functions have been provided in an existing agency owned building that will be vacated and demolished in 2027 as part of a lease for new tenant development. The agency has no other buildings or facilities that can house these operations. This project will create replacement facilities that will ensure uninterrupted guest admissions and services, as well as gift shop sales, which provide operating revenues for the museum. It will also allow for activation to host after hour events and add meeting space. This permanent facility will be designed to accommodate future landside office needs, and this is the best alternative, per the agency, to accomplish goals for the facilities with the time and funds available.

Facility Characteristics: The existing building is 7,850 square feet and was constructed in 1988 (38 years old). The new retail village will total approximately 8,640 square feet and will house admissions, retail, food service, meeting, restroom, gathering and special event spaces. The Quonset hut contains approximately 2,000 square feet. Patriots Point receives over 495,000 visitors annually. Of the total annual visitors, 300,000 visit the museum, 180,000 take Fort Sumter and harbor boat tours, and 15,000 are students for camps, tours and events. There are approximately 233 agency staff and volunteers who will utilize the space.

Financial Impact: The project will be funded from Other, Admissions Revenue Funds (uncommitted balance $13.37 million at April 30, 2026). Admissions Revenue Funds are derived from the park and museum admission fees and revenue from leased property. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $3,577,388 funded from Admissions Revenue Funds. The estimated cost to complete the project has increased from the Phase I estimate due to the expanded needs for public restrooms, food service, meeting and gathering areas, the addition of a second level and elevator as well as alterations to make the facility permanent in nature. Contract execution is expected in September 2026 and completion of construction in April 2027.

(y) Project: JBRC Item 32: Department of Employment and Workforce
R60.9543: Florence Workforce Center – Repave Parking Lot

Request: Increase Phase II Full Construction Budget to cover the cost to remove unstable soil in this project to replace the parking lot.

Included in CPIP: No – The need for the increase was unknown during the 2025 CPIP submission process.

Phase I Approval: June 2024 (estimated at $489,877) (JBRC)

Phase II Approval: February 2025 (estimated at $489,877) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Contingency Assessment	10,815	479,062	489,877	271,040	760,917
All Sources	10,815	479,062	489,877	271,040	760,917

Summary of Work: The project will replace the parking lot and bring it up to meet ADA standards and current county or city code requirements for landscaping in parking areas. Once the asphalt and stone base from the existing parking lot was removed, it was determined that the removal of unstable soil with inorganic materials and water will be required in order to complete the project.

Rationale: There is not adequate parking for clients and staff due to this parking lot being under constructed. Due to safety risks posed with a long term construction delay for public pedestrian traffic near the exposed parking lot excavation and existing temporary staff parking access, an emergency procurement was established with the Office of the State Engineer to expedite completion of this project. This increase is needed to cover the cost to complete the corrective construction cost and add additional contingency to the project budget. The pavement has failed in a number of locations and high severity weathering, cracking, and potholes are present. Loss of asphalt binder is evident, and this compromises structural integrity. Some locations have been repaired with asphalt patches, but the condition of the lot poses trip hazards to DEW staff and the general public. Vehicular, handicap, and pedestrian traffic are not safe due to the condition of the lot, and the lot requires ongoing maintenance and repair. Additionally, the lot does not meet ADA standards and does not meet current county or city requirements for landscaping in parking areas.

Facility Characteristics: The parking lot is 32,375 square feet and was constructed in 1969 (57 years old). The center is utilized by the agency's Workforce and Economic Development and Unemployment Insurance. Additionally, partner agencies that include Workforce Innovation and Opportunity Act, Department of Social Services, South Carolina Vocational Rehabilitation Department, and Adult Education also utilize the center. Approximately 18 agency employees and 18 partner agency staff are housed in the center.

Financial Impact: The project will be funded from Other, Contingency Assessment Funds (uncommitted balance $118.39 million at June 26, 2026). Revenue to this fund is generated from the contingency assessment portion of the tax accounted for in the special revenue fund, which is primarily to fund the administrative costs and employment services. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $760,917 funded by Contingency Assessment Funds. Completion of construction is anticipated in August 2026 if no more unstable soil is found.

4. What is the Authority asked to do? Consider approval of the Permanent Improvement Projects

5. What is recommendation of the submitting agency involved? The items are complete and ready for SFAA review.

6. Private Participant Disclosure – Check only 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:

1. Permanent Improvement Project Backup Documentation

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop. Supporting documentation should include all related agreements or approval requests (e.g., leases, contracts, permanent improvements, indebtedness, agenda items), either current or anticipated; or provide affirmation from the submitting agency that there are no related transactions.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Vocational Rehabilitation Department – Underslab Plumbing Repair

The Authority is asked to approve the following permanent improvement project establishment request and budget revision as requested by the Department of Administration, Facilities Management and Property Services as noted herein. All items were reviewed favorably by the Joint Bond Review Committee (JBRC).

Project: Vocational Rehabilitation Department
H73.9636: Underslab Plumbing Repair

Request: Establish Phase II Full Construction Budget to repair existing underslab sewer lines.

Included in CPIP: No – The work was planned to be completed as separate projects during the 2025 CPIP submission process, and each were estimated to be below the PIP threshold.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, State Vocational Rehabilitation Services Grant				2,300,000	2,300,000
All Sources				2,300,000	2,300,000

Summary of Work: The project will repair or replace existing underslab sewer lines constructed of cast iron. For the lines being replaced, PVC piping will be used. For the lines being repaired, an epoxy resin lining will be installed to extend their useful life. In some places the old line will be abandoned, and new lines will be run under the training center floor to provide an open area for future maintenance. In all areas where the carrier group has deteriorated, the urinal and restroom fixtures will be replaced where demolition is required behind the wall. During construction the restrooms at each facility will be housed in temporary portable restroom trailers. The work will be completed at the Berkeley Dorchester, Beaufort, Camden, Gaffney, Laurens, and Marlboro work training facilities.

Rationale: The existing pipes have rusted or collapsed past the point of use.

Facility Characteristics: Berkeley Dorchester is 20,120 square feet, Beaufort is 24,100 square feet, Camden is 18,470 square feet, Gaffney is 18,150 square feet, Laurens is 25,260 square feet, and Marlboro is 24,100 square feet. The buildings were constructed between 1985 (41 years old) and 1993 (33 years old). The sewer lines are original to construction of the buildings. Each work training facility houses between 20 to 24 staff and sees between 20 to 50 consumers a day depending on the location.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Vocational Rehabilitation Department – Underslab Plumbing Repair

Financial Impact: This project will be funded from Federal, State Vocational Rehabilitation Services Grant Funds (uncommitted balance $7.85 million at July 27, 2026), which funds must be obligated by September 30, 2026 to be retained. This revenue is received to assist in the provision of providing vocational rehabilitation services. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $2,300,000 funded from State Vocational Rehabilitation Services Grant Funds. This project is requested for establishment at Phase II because the Phase I work has already been completed. Underslab plumbing inspections conducted in the fall of 2025 due to leaks and frequent backup issues revealed damaged and/or collapsed pipes in need of immediate replacement or repair. Two locations (Conway and Aiken) were completed as emergency procurements in February 2026 because the pipes were leaking into the ground, which is an environmental concern. The cost for each of those locations was $150k or less. Based on this cost and other vendor estimates, the anticipated cost of each additional location was expected to be less than $250k in total project costs. The agency anticipated bidding each location separately through the agency's task order contracts. Upon bidding Berkeley Dorchester and Beaufort, bids received for Beaufort came in over the $250k threshold, thus requiring establishment of a PIP. The four remaining locations are anticipated to go out for bid in August. Contract execution is expected in August 2026 and completion of construction in December 2026.

AUTHORITY ACTION REQUESTED:

As requested by the Vocational Rehabilitation Department, through the Department of Administration, Facilities Management and Property Services, approve the Vocational Rehabilitation Department's Permanent Improvement Project to establish the Phase II full construction budget to repair the existing underslab sewer lines.

ATTACHMENTS:

Agenda item worksheet and attachment

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

Meeting Scheduled for: 8/19/2026 **Regular Agenda**

1. Submitted by:
(a) Agency: Department of Administration
(b) Authorized Official Signature: Ashlie Lancaster, FMPS Director

2. Subject: Vocational Rehabilitation Department – Underslab Plumbing Repair

3. Summary Background Information:

Project: Vocational Rehabilitation Department
H73.9636: Underslab Plumbing Repair

Request: Establish Phase II Full Construction Budget to repair existing underslab sewer lines.

Included in CPIP: No – The work was planned to be completed as separate projects during the 2025 CPIP submission process, and each were estimated to be below the PIP threshold.

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, State Vocational Rehabilitation Services Grant				2,300,000	2,300,000
All Sources				2,300,000	2,300,000

Summary of Work: The project will repair or replace existing underslab sewer lines constructed of cast iron. For the lines being replaced, PVC piping will be used. For the lines being repaired, an epoxy resin lining will be installed to extend their useful life. In some places the old line will be abandoned, and new lines will be run under the training center floor to provide an open area for future maintenance. In all areas where the carrier group has deteriorated, the urinal and restroom fixtures will be replaced where demolition is required behind the wall. During construction the restrooms at each facility will be housed in temporary portable restroom trailers. The work will be completed at the Berkeley Dorchester, Beaufort, Camden, Gaffney, Laurens, and Marlboro work training facilities.

Rationale: The existing pipes have rusted or collapsed past the point of use.

Facility Characteristics: Berkeley Dorchester is 20,120 square feet, Beaufort is 24,100 square feet, Camden is 18,470 square feet, Gaffney is 18,150 square feet, Laurens is 25,260 square feet, and Marlboro is 24,100 square feet. The buildings were constructed between 1985 (41 years old) and 1993 (33 years old). The sewer lines are original to construction of the buildings. Each work training facility houses between 20 to 24 staff and sees between 20 to 50 consumers a day depending on the location.

Financial Impact: This project will be funded from Federal, State Vocational Rehabilitation Services Grant Funds (uncommitted balance $7.85 million at July 27, 2026), which funds must be obligated by September 30, 2026 to be retained. This revenue is received to assist in the provision of providing vocational

rehabilitation services. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $2,300,000 funded from State Vocational Rehabilitation Services Grant Funds. This project is requested for establishment at Phase II because the Phase I work has already been completed. Underslab plumbing inspections conducted in the fall of 2025 due to leaks and frequent backup issues revealed damaged and/or collapsed pipes in need of immediate replacement or repair. Two locations (Conway and Aiken) were completed as emergency procurements in February 2026 because the pipes were leaking into the ground, which is an environmental concern. The cost for each of those locations was $150k or less. Based on this cost and other vendor estimates, the anticipated cost of each additional location was expected to be less than $250k in total project costs. The agency anticipated bidding each location separately through the agency's task order contracts. Upon bidding Berkeley Dorchester and Beaufort, bids received for Beaufort came in over the $250k threshold, thus requiring establishment of a PIP. The four remaining locations are anticipated to go out for bid in August. Contract execution is expected in August 2026 and completion of construction in December 2026.

---

4. What is the Authority asked to do? Consider approval of the Permanent Improvement Project Establish Phase II request.

---

5. What is recommendation of the submitting agency involved? This item is complete and ready for SFAA review.

---

6. Private Participant Disclosure – Check only 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:

1. Permanent Improvement Underslab Plumbing Repair

---

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop. Supporting documentation should include all related agreements or approval requests (e.g., leases, contracts, permanent improvements, indebtedness, agenda items), either current or anticipated; or provide affirmation from the submitting agency that there are no related transactions.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Department of Natural Resources - Pickens - Jocassee Gorges HP/WMA Land Acquisition (His Way)

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

Project: JBRC Item 28: Department of Natural Resources
P24.6115: Pickens - Jocassee Gorges HP/WMA Land Acquisition (His Way)

Request: Establish Final Land Acquisition to purchase +/- 106 acres in Pickens County.

Included in CPIP: Yes – 2025 CPIP Priority 51 of 60 in FY26 (estimated at $495,000)
Phase I Approval: April 2025 (estimated at $495,000) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Heritage Land Trust	20,000		20,000	475,000	495,000
All Sources	20,000		20,000	475,000	495,000

Rationale: Acquisition of this property will protect the viewshed along Highway 11 and limit the threat of development along the Eastatoe Creek. It would expand visitor benefits for users of the existing Jocassee Gorges HP and Wadakoe Mountain HP/WMA by providing opportunities for recreational fishing, hunting, and nature observation. Trails could be established and there is existing parking and trail access across the street from the property on Roy F. Jones Highway. After acquisition, this property will be dedicated as a Heritage Preserve and placed into the Corpus of the Heritage Trust Program. The property will also be designated a wildlife management area to be added to the Jocassee Gorges WMA.

Characteristics: Jocassee Gorges boasts a diverse array of wildlife, including some of the most abundant salamander and black bear populations in the southeast.

Financial Impact: The property is offered by Naturaland Trust for $475,000. The acquisition will be funded from Other, Heritage Land Trust Funds (uncommitted balance $32.54 million at May 19, 2026). SC Code 51-17-115 provides for the department to use Heritage Land Trust Funds to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. An appraisal completed in January 2026 valued the property at $1,015,000. A Phase I Environmental Site Assessment completed in April 2026 found no evidence of recognized environmental conditions in connection with the property. A Building Condition Assessment is not required because there are no buildings located on the property. Letters of support are not

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Department of Natural Resources - Pickens - Jocassee Gorges HP/WMA Land Acquisition (His Way)

required because the property is owned by a non-profit entity and therefore not included on the tax rolls. No construction or renovation is planned to be completed after acquisition. The acquisition is expected to result in an increase of $5,000 (year 1) and $1,000 (year 2) in annual operating expenditures.

Full Project Estimate: $495,000 funded from Heritage Land Trust Funds.

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

AUTHORITY ACTION REQUESTED:

As requested by the Department of Natural Resources (DNR) through the Department of Administration, Facilities Management and Property Services, approve the Permanent Improvement Project for the Pickens - Jocassee Gorges HP/WMA Land Acquisition (His Way); and as requested by DNR approve total project expenditure of $495,000 from the Heritage Land Trust Fund pursuant to Section 51-17-115 toward the acquisition of land described in Permanent Improvement Project 6115.

ATTACHMENTS:

Agenda item worksheet and attachment

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

Meeting Scheduled for: 8/19/2026 **Regular Agenda**

1. Submitted by:
(a) Agency: Department of Administration
(b) Authorized Official Signature: Ashlie Lancaster, FMPS Director

2. Subject: Department of Natural Resources – Pickens - Jocassee Gorges HP/WMA Land Acquisition (His Way)

3. Summary Background Information:

Project: JBRC Item 28: Department of Natural Resources
P24.6115: Pickens - Jocassee Gorges HP/WMA Land Acquisition (His Way)

Request: Establish Final Land Acquisition to purchase +/- 106 acres in Pickens County.

Included in CPIP: Yes – 2025 CPIP Priority 51 of 60 in FY26 (estimated at $495,000)
Phase I Approval: April 2025 (estimated at $495,000) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Heritage Land Trust	20,000		20,000	475,000	495,000
All Sources	20,000		20,000	475,000	495,000

Rationale: Acquisition of this property will protect the viewshed along Highway 11 and limit the threat of development along the Eastatoe Creek. It would expand visitor benefits for users of the existing Jocassee Gorges HP and Wadakoe Mountain HP/WMA by providing opportunities for recreational fishing, hunting, and nature observation. Trails could be established and there is existing parking and trail access across the street from the property on Roy F. Jones Highway. After acquisition, this property will be dedicated as a Heritage Preserve and placed into the Corpus of the Heritage Trust Program. The property will also be designated a wildlife management area to be added to the Jocassee Gorges WMA.

Characteristics: Jocassee Gorges boasts a diverse array of wildlife, including some of the most abundant salamander and black bear populations in the southeast.

Financial Impact: The property is offered by Naturaland Trust for $475,000. The acquisition will be funded from Other, Heritage Land Trust Funds (uncommitted balance $32.54 million at May 19, 2026). SC Code 51-17-115 provides for the department to use Heritage Land Trust Funds to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. An appraisal completed in January 2026 valued the property at $1,015,000. A Phase I Environmental Site Assessment completed in April 2026 found no evidence of recognized environmental conditions in connection with the property. A Building Condition Assessment is not required because there are no buildings located on the property. Letters of support are not required because the property is owned by a non-profit entity and therefore not included on the tax rolls. No construction or renovation is planned to be completed

after acquisition. The acquisition is expected to result in an increase of $5,000 (year 1) and $1,000 (year 2) in annual operating expenditures.

Full Project Estimate: $495,000 funded from Heritage Land Trust Funds.

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

---

4. What is the Authority asked to do? Consider approval of the Permanent Improvement Project Establish Phase II request.

---

5. What is recommendation of the submitting agency involved? This item is complete and ready for SFAA review.

---

6. Private Participant Disclosure – Check only 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:

1. Permanent Improvement Pickens - Jocassee Gorges HP/WMA Land Acquisition (His Way)

---

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop. Supporting documentation should include all related agreements or approval requests (e.g., leases, contracts, permanent improvements, indebtedness, agenda items), either current or anticipated; or provide affirmation from the submitting agency that there are no related transactions.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

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

(a)	County Location:	Charleston
	From:	Department of Commerce, Division of Public Railways, d/b/a Palmetto Railways (#1250)
	To:	Commissioner of Public Works of the City of Charleston (CWS)
	Consideration:	Nominal
	Administrative Fee:	$761.79
	Description/Purpose:	To grant a 0.377± acre non-exclusive, permanent easement for the purpose to lay, construct, locate, install, operate, maintain, inspect, repair, relocate and replace underground water lines with necessary valves, valve boxes, meters, fittings, manholes, service lines, controls, devices, equipment, fire hydrants and other usual appurtenances on property of the Department of Commerce, Division of Public Railways, d/b/a Palmetto Railways (portion of TMS 400-00-00-247). The easement is necessary to provide public utility services. Department of Commerce has determined that, in accordance with the requirement of the statute §10-1-130, the easement does not materially impair the utility of the property or damage it, and Commerce has requested that the easement be granted for nominal consideration because it benefits the Boeing economic development project that supports Commerce's mission and directly benefits the parcel, North Charleston and the State of South Carolina. CWS has requested one exception to the 2022 easement policy, and Commerce has agreed, which is that the easement be permanent.
	Additional Information:	On February 20, 2014, the previous owner of the subject parcel, property owner Charleston County Airport District granted certain permanent easements to the Commissioners of Public Works of the City of Charleston for the operation and maintenance of the existing water system. In connection with this easement request, the CWS will relinquish the portion of the existing easement (TMS 400-00-00-247) to relocate a section of the water lines to the new easement area.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

(b)

County Location:	Berkeley
From:	Department of Administration (#1251)
To:	Dominion Energy South Carolina, Inc. (DESC)
Consideration:	$126,292.50
Administrative Fee:	$761.79
Description/Purpose:	To grant a 2.5± acre non-exclusive easement for the construction, operation and maintenance of an additional 115kV transmission line across the Wando River in the Mount Pleasant/Charleston area to upgrade the existing Cainhoy-Hamlin 115kV transmission line and to improve the reliability and resiliency of DESC's electric system. The project is partially within the area of existing transmission lines and a right of way is necessary to construct a new transmission line in this corridor. The easement is necessary to provide public utility services. The term of the easement will be fifty (50) years. Consideration is $126,292.50 based on the average sales price per acre of unimproved agricultural land for easements across navigable waterways and submerged lands. There are no exceptions requested with regard to the 2022 easement policy.

(c)

County Location:	Richland
From:	Department of Administration on behalf of South Carolina Department of Parks, Recreation & Tourism (#1252a)
To:	City of Columbia
Consideration:	$2,100.00
Administrative Fee:	$761.79
Description/Purpose:	To grant a 0.19± acre non-exclusive easement for the purpose of constructing, operating, reconstructing, and maintaining a water main within the easement area on property of the South Carolina Department of Parks, Recreation & Tourism (SCPRT) to serve a new development in the general vicinity of the subject properties (TMS R19813-01-03). The easement also grants access, ingress and egress along the property to access said water main system. The easement is necessary to provide public water services and fire protection to a new residential development in Northeast Columbia. The term of the easement is fifty (50) years. Consideration is the appraised value. SCPRT has determined that, in accordance with the requirement of the statute §10-1-130, the

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

easement does not 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:	Richland
From:	Department of Administration on behalf of South Carolina Department of Parks, Recreation & Tourism (#1252b)
To:	City of Columbia
Consideration:	$2,760.00
Administrative Fee:	$761.79
Description/Purpose:	To grant a 0.23± acre non-exclusive easement for the purpose of constructing, operating, reconstructing, and maintaining a water main within the easement area on property of the South Carolina Department of Parks, Recreation & Tourism (SCPRT) to serve a new development in the general vicinity of the subject properties (TMS R19814-02-02). The easement also grants access, ingress and egress along the property to access said water main system. The easement is necessary to provide public water services and fire protection to a new residential development in Northeast Columbia. The term of the easement is fifty (50) years. Consideration is the appraised value. SCPRT has determined that, in accordance with the requirement of the statute §10-1-130, the easement does not materially impair the utility of the property or damage it. There are no exceptions requested with regard to the 2022 easement policy.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

(e)	County Location:	Richland
	From:	Department of Administration on behalf of South Carolina Department of Parks, Recreation & Tourism (#1253)
	To:	East Richland County Public Service District
	Consideration:	$180.00
	Administrative Fee:	$761.79
	Description/Purpose:	To grant a 0.03± acre non-exclusive easement, for the purpose of constructing, operating, and maintaining a gravity sewer line within the easement area on property of the South Carolina Department of Parks, Recreation & Tourism (SCPRT) to serve a new residential development (TMS R19183-01-03). The easement also grants access, ingress and egress along the property to access said sewer system. The easement is necessary to provide sanitary sewer services to a new residential development in Northeast Columbia. The term of the easement is fifty (50) years. Consideration is the appraised value. SCPRT has determined that, in accordance with the requirement of the statute §10-1-130, the easement does not 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 the referenced easements, as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

Agenda item worksheet and attachment

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

Meeting Scheduled for: 8/19/2026 **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:	Charleston
	From:	Department of Commerce, Division of Public Railways, d/b/a Palmetto Railways (#1250)
	To:	Commissioner of Public Works of the City of Charleston (CWS)
	Consideration:	Nominal
	Administrative Fee:	$761.79
	Description/Purpose:	To grant a 0.377± acre non-exclusive, permanent easement for the purpose to lay, construct, locate, install, operate, maintain, inspect, repair, relocate and replace underground water lines with necessary valves, valve boxes, meters, fittings, manholes, service lines, controls, devices, equipment, fire hydrants and other usual appurtenances on property of the Department of Commerce, Division of Public Railways, d/b/a Palmetto Railways (portion of TMS 400-00-00-247). The easement is necessary to provide public utility services. Department of Commerce has determined that, in accordance with the requirement of the statute §10-1-130, the easement does not materially impair the utility of the property or damage it, and Commerce has requested that the easement be granted for nominal consideration because it benefits the Boeing economic development project that supports Commerce's mission and directly benefits the parcel, North Charleston and the State of South Carolina. CWS has requested one exception to the 2022 easement policy, and Commerce has agreed, which is that the easement be permanent.
	Additional Information:	On February 20, 2014, the previous owner of the subject parcel, property owner Charleston County Airport District granted certain permanent easements to the Commissioners of Public Works of the City of Charleston for the operation and maintenance of the existing water system. In connection with this easement request, the CWS will relinquish the portion of the existing easement (TMS 400-00-00-247) to relocate a section of the water lines to the new easement area.

(b) County Location: Berkeley
From: Department of Administration (#1251)
To: Dominion Energy South Carolina, Inc. (DESC)
Consideration: $126,292.50
Administrative Fee: $761.79
Description/Purpose: To grant a 2.5± acre non-exclusive easement for the construction, operation and maintenance of an additional 115kV transmission line across the Wando River in the Mount Pleasant/Charleston area to upgrade the existing Cainhoy-Hamlin 115kV transmission line and to improve the reliability and resiliency of DESC's electric system. The project is partially within the area of existing transmission lines and a right of way is necessary to construct a new transmission line in this corridor. The easement is necessary to provide public utility services. The term of the easement will be fifty (50) years. Consideration is $126,292.50 based on the average sales price per acre of unimproved agricultural land for easements across navigable waterways and submerged lands. There are no exceptions requested with regard to the 2022 easement policy.

(c) County Location: Richland
From: Department of Administration on behalf of South Carolina Department of Parks, Recreation & Tourism (#1252a)
To: City of Columbia
Consideration: $2,100.00
Administrative Fee: $761.79
Description/Purpose: To grant a 0.19± acre non-exclusive easement for the purpose of constructing, operating, reconstructing, and maintaining a water main within the easement area on property of the South Carolina Department of Parks, Recreation & Tourism (SCPRT) to serve a new development in the general vicinity of the subject properties (TMS R19813-01-03). The easement also grants access, ingress and egress along the property to access said water main system. The easement is necessary to provide public water services and fire protection to a new residential development in Northeast Columbia. The term of the easement is fifty (50) years. Consideration is the appraised value. SCPRT has determined that, in accordance with the requirement of the statute §10-1-130, the easement does not 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:	Richland
	From:	Department of Administration on behalf of South Carolina Department of Parks, Recreation & Tourism (#1252b)
	To:	City of Columbia
	Consideration:	$2,760.00
	Administrative Fee:	$761.79
	Description/Purpose:	To grant a 0.23± acre non-exclusive easement for the purpose of constructing, operating, reconstructing, and maintaining a water main within the easement area on property of the South Carolina Department of Parks, Recreation & Tourism (SCPRT) to serve a new development in the general vicinity of the subject properties (TMS R19814-02-02). The easement also grants access, ingress and egress along the property to access said water main system. The easement is necessary to provide public water services and fire protection to a new residential development in Northeast Columbia. The term of the easement is fifty (50) years. Consideration is the appraised value. SCPRT has determined that, in accordance with the requirement of the statute §10-1-130, the easement does not materially impair the utility of the property or damage it. There are no exceptions requested with regard to the 2022 easement policy.
(e)	County Location:	Richland
	From:	Department of Administration on behalf of South Carolina Department of Parks, Recreation & Tourism (#1253)
	To:	East Richland County Public Service District
	Consideration:	$180.00
	Administrative Fee:	$761.79
	Description/Purpose:	To grant a 0.03± acre non-exclusive easement, for the purpose of constructing, operating, and maintaining a gravity sewer line within the easement area on property of the South Carolina Department of Parks, Recreation & Tourism (SCPRT) to serve a new residential development (TMS R19183-01-03). The easement also grants access, ingress and egress along the property to access said sewer system. The easement is necessary to provide sanitary sewer services to a new residential development in Northeast Columbia. The term of the easement is fifty (50) years. Consideration is the appraised value. SCPRT has determined that, in accordance with the requirement of the statute §10-1-130, the easement does not materially impair the utility of the property or damage it. There are no exceptions requested with regard to the 2022 easement policy.

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

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

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

7. **Recommendation of other office (as required)?**
   (a) Authorized Signature: _____
   (b) Office Name:

8. **List of Supporting Documents:**

   (a) SC Code of Laws Sections 1-11-70, 1-11-80, 1-11-100, 10-1-130 and 10-1-135
   (b) Exhibits (letters, plats, maps, etc.)
      a. Department of Commerce, Division of Public Railways d/b/a/ Palmetto Railways - Commissioners of Public Works of the City of Charleston
      b. Dominion Energy South Carolina, Inc.
      c. City of Columbia
      d. City of Columbia
      e. East Richland County Public Service District

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop. Supporting documentation should include all related agreements or approval requests (e.g., leases, contracts, permanent improvements, indebtedness, agenda items), either current or anticipated; or provide affirmation from the submitting agency that there are no related transactions.

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 CODE OF LAWS

SECTION 10-1-135. Encroachments on state-owned lands of natural significance.

For easements, rights-of-way, or any other encroachment on or over any state park, state forest, state historic area, state wildlife refuge or preserve, Heritage Trust Site, or other state-owned lands of natural significance the responsible management agency shall, in addition to the provisions of Section 10-1-130, make the following determinations prior to requesting approval from the Department of Administration and review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority if necessary:

(a) There is an important public necessity for the encroachment;

(b) Alternative routes or locations not on state property are neither prudent nor feasible, and the proposed encroachment is not disruptive of the existing or planned uses of the state property;

(c) The entity responsible for the encroachment shall make reasonable mitigation of the impacts of the proposed encroachment, upon the recommendation of the governing body of the responsible management agency.

HISTORY: 1985 Act No. 91.

Code Commissioner's Note

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

Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

May 18, 2026

Ms. Ashlie Lancaster
Division of Facilities Management & Property Services
Department of Administration
1200 Senate Street
Columbia, SC 29201

Dear Ashlie:

The purpose of this letter is to notify the State Fiscal Accountability Authority (SFAA) through the Department of Administration, Division of Facilities Management and Property Services ("Real Property Services") of the request by the South Carolina Department of Commerce, Division of Public Railways ("Palmetto Railways") to authorize and approve the granting of a relocated utility easement to the Commissioners of Public Works of the City of Charleston ("CWS") in connection with the construction of additional staging areas for Boeing 787 commercial aircraft on property owned by Palmetto Railways and leased to the Boeing Company ("Boeing").

On Nov. 20, 2009, history was made as Boeing broke ground on a final assembly and delivery location for the 787 Dreamliner in North Charleston, SC. The decision established North Charleston as the second location to produce the popular 787 Dreamliner, and Boeing's $1.2 billion investment marked the largest economic development announcement in our state's history at the time. Today, North Charleston is the only location where Boeing produces the 787 Dreamliner, and Boeing is currently doubling the size of its 787-assembly facility through an even bigger investment that will enable Boeing to increase its production rate significantly to meet demand.

Boeing's expansion has necessitated the relocation of an existing permanent utility easement on a portion of its main campus owned by Palmetto Railways.[1] The easement will be partially abandoned and relocated to allow for Boeing's continued and uninterrupted onsite utilities. In Boeing's Ground Lease, Palmetto Railways agreed, subject to requisite approvals, to grant easements necessary to support the project. Palmetto Railways has confirmed that relocation of the easement does not materially impair or damage the property owned by Palmetto Railways and leased to Boeing and instead enhances Boeing's use of the property.

The Department of Commerce and Palmetto Railways are requesting that the proposed relocated easement be perpetual and granted for nominal consideration. The original permanent easement, which predated ownership of the property by Palmetto Railways, was installed by Boeing pursuant to

[1] The easement was originally granted by the Charleston County Aviation Authority as the prior owner of the property.

a "dedication" procedure whereby CWS agreed to maintain the infrastructure and add it to CWS's existing water system.[2] Relocation as a permanent, perpetual easement will allow CWS to (1) provide necessary and uninterrupted public utility services that Boeing requires and (2) operate, maintain, repair and/or replace the necessary water infrastructure over the long term. Granting the easement for nominal consideration is appropriate because the easement is necessary for an economic development project that supports Commerce's mission and directly benefits North Charleston and the State of South Carolina. If CWS abandons the easement, the easement will revert to Palmetto Railways as grantor. Additionally, even if there were no economic development project, granting the easement for nominal consideration would be appropriate because the provision of public utility services enhances the value of the State's property.

Accordingly, the Department of Commerce and Palmetto Railways respectfully request that the water and sewer easement be approved pursuant to S.C. Code of Laws §10-1-130.

Sincerely,

Karen Blair Manning
Chief Legal Counsel

KBM

cc: Sheri Cooper, Chief Financial Officer, Palmetto Railways
Heather Coldwell, Senior Real Estate Counsel, The Boeing Company
Jennifer Thomas Elliott, Assistant General Counsel, SC Department of Administration
Natanya Adler, RPS Program Coordinator, SC Department of Administration

[2] CWS's counsel provided justification for the permanent easement in a letter to Karen Manning dated April 15, 2026, which has been submitted to the Department of Administration in connection with this request for approval.

BURR & FORMAN

Jennifer C. Blumenthal
jblumenthal@burr.com
T 843.723.7831

Burr & Forman LLP
850 Morrison Drive
Suite 300
Charleston, SC 29403

Office (843) 723-7831

BURR.COM

April 15, 2026

Via Email: kmanning@sccommerce.com

Karen Blair Manning, Esq.
South Carolina Department of Commerce
1201 Main Street, Suite 1600
Columbia, South Carolina 29201

Re: Request for Permanent Easement for Charleston Water System

Dear Karen:

Please allow this letter to supplement the attached application for a permanent easement for the installation and maintenance of a 16" water transmission main and appurtenances in favor of the Commissioners of Public Works of the City of Charleston, d/b/a Charleston Water System ("CWS"), through property owned by the Department of Commerce, Division of Public Railways, doing business as Palmetto Railways ("Palmetto Railways") currently designated as Charleston County TMS No. 400-00-00-247 (the "Property"), as shown in **Figure 1**. To help you evaluate this request, I have included the explanation for the necessity of the permanent easement herein and the reasons why a license or lease would not be appropriate.



Figure 1

Please note that CWS has separate processes for when CWS desires an easement to serve existing customers, which usually involves acquiring an easement through purchase or condemnation from private individuals or by request or purchase for governmental entities. In this

case, CWS has agreed to maintain water infrastructure installed by Boeing under a "dedication" procedure set forth in CWS's Water and Wastewater Policy Manual. CWS's processes for dedications typically requires a permanent easement from the owner of the Property before CWS will "turn on" the connection between the new water infrastructure and CWS's existing water system and before CWS will begin the maintain the new water infrastructure. In the absence of a dedication to CWS, the owner or user would have to have some sort of private water system approved. Once the new infrastructure is inspected and accepted by CWS, CWS agrees to maintain the infrastructure and adds such infrastructure to CWS's existing water system. Here, there is no direct benefit to CWS from the installation of the new water infrastructure.

This new water infrastructure replaces existing water infrastructure which was previously dedicated to CWS and which was maintained by CWS under an existing easement from the Property's prior owner. On February 20, 2014, the Charleston County Airport District, by the Charleston County Aviation Authority (the "CCAA"), owned this property as part of Charleston County TMS No. 400-00-00-007 (the "Parent Tract"). At this time, CCAA (or its contractors) installed a water line and appurtenances to serve the Parent Tract, which includes the Charleston International Airport and the manufacturing facilities of Boeing. My assumption is that the system installed at the time primarily served the Boeing facilities due to the timing, but I can follow up on this issue if you would like.

During this time, the CCAA granted a permanent easement for the water line and appurtenances to CWS by instrument recorded March 26, 2014 in Deed Book 0395 at Page 686 in the ROD Office for Charleston County, South Carolina. The easement area, which runs through the Property, is shown on Plat Book L14 at Pages 0105 through 0108, with the pertinent portion of the easement being shown on Plat Book L14 at Page 0106, a portion of which is shown in **Figure 2**. I have attached a copy of the existing easement and the plats to this email for ease of reference.

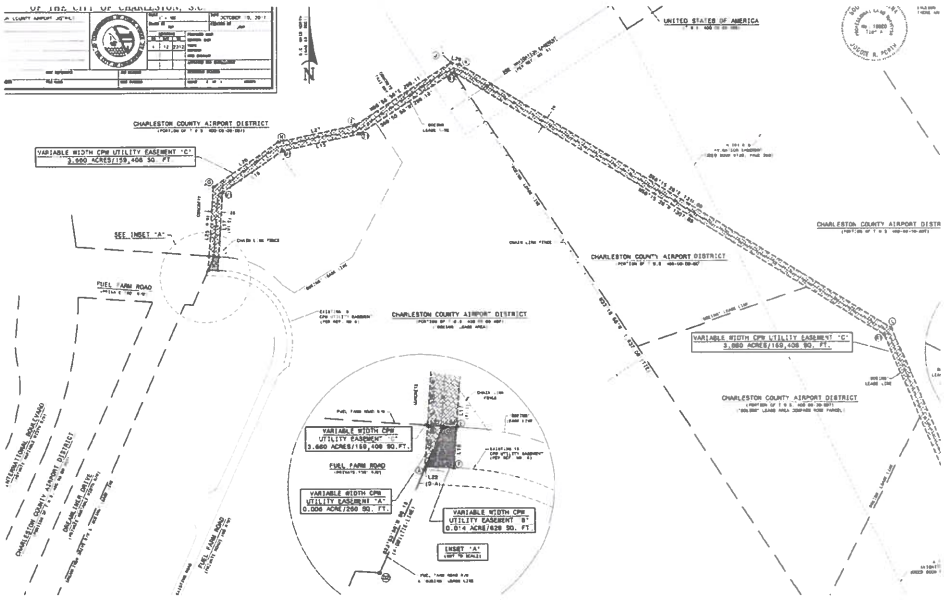


Figure 2

On October 29, 2021, the CCAA quitclaimed the Property to Palmetto Railways by instrument recorded November 16, 2021, in Deed Book 1052 at Page 854 of the ROD Office for Charleston County, South Carolina ("Deed 1052/854"). The conveyance was specifically "subject to" the "Permitted Exceptions" set forth on Exhibit A to Deed 1052/854. Permitted Exception 11 is described as "Grant of Easements from Charleston County Airport District to the Commissioners of Public Works of the City of Charleston, South Carolina, dated February 20, 2014, and recorded March 26, 2014, in Book 0395, Page 686 in the RMC Office for Charleston County."[1] Deed 1052/854 is also attached to this email.

Pursuant to a request from Boeing, which subleases the Property, CWS authorized the relocation of CWS's existing easement so that the water main and appurtenances will run along the border of the Property, instead of being located through the middle of the Property. The location of the proposed new easement area is shown on the plat attached hereto, a portion of which is shown in **Figure 3**. The existing portion of the easement shown on the plat will be abandoned by CWS, as set forth in the draft easement provided to you. Please note that the relocation of the easement has been authorized by CWS solely for the benefit of Boeing. As a result, CWS requests a permanent easement to continue its existing rights.

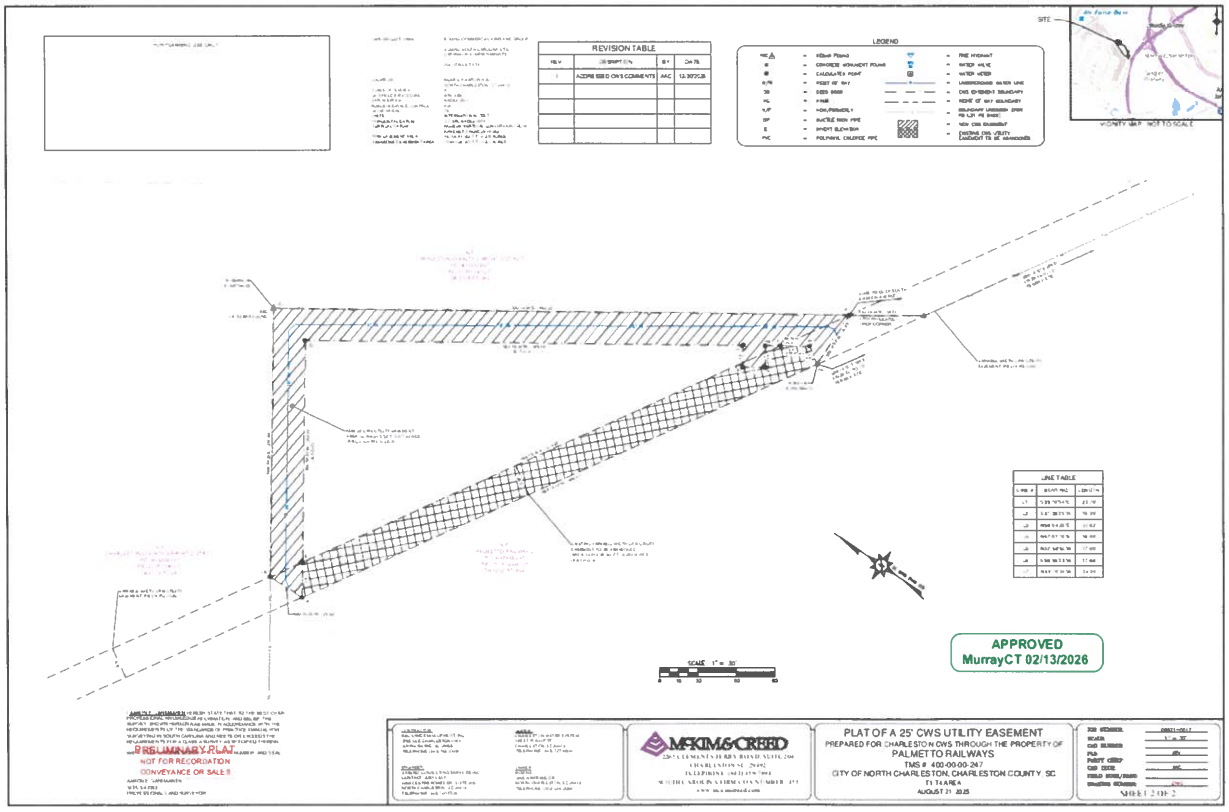


Figure 3

[1] The legal name of CWS is the Commissioners of Public Works of the City of Charleston. Previous instruments sometimes show the name as the Commissioners of Public Works of the City of Charleston, South Carolina.

CWS requests a permanent easement because this transaction essentially changes the location of an existing permanent easement. Respectfully, CWS does not desire a license or lease. As you know, the difference between an easement and a license is that a license is terminable at the will of the grantor. CWS would not authorize the relocation of lines like this one in exchange for an easement because, if CWS had to relocate the lines in the future, it would be a significant expense to CWS with little, if any, benefit to the customers of CWS, except for Boeing.

CWS also would not accept a lease for a "dedicated" easement. As you know, the primary difference between an easement and a lease is that an easement is a non-possessory interest in land, whereas a lease allows the lessee to possess the land. The activities of CWS on the Property would not rise to the level of a possessory interest in land, even if the parties were to sign a document entitled as a "lease." It would likely be interpreted as a temporary easement or an easement for a term. More importantly to CWS, CWS's lease of the land subject to the easement would make CWS liable for certain environmental issues which could occur on the Property regardless of whether CWS is at fault with respect to such issues. Respectfully, CWS should not be held liable for environmental issues on the Property if CWS is not at fault with respect to such issues.

Please let me know if you have any questions or concerns about any of the foregoing. I look forward to hearing from you.

Sincerely,

BURR & FORMAN LLP

Jennifer C. Blumenthal

JCB:jlm
Enclosures

PLAT OF A 25' CWS UTILITY EASEMENT

PREPARED FOR

CHARLESTON CWS

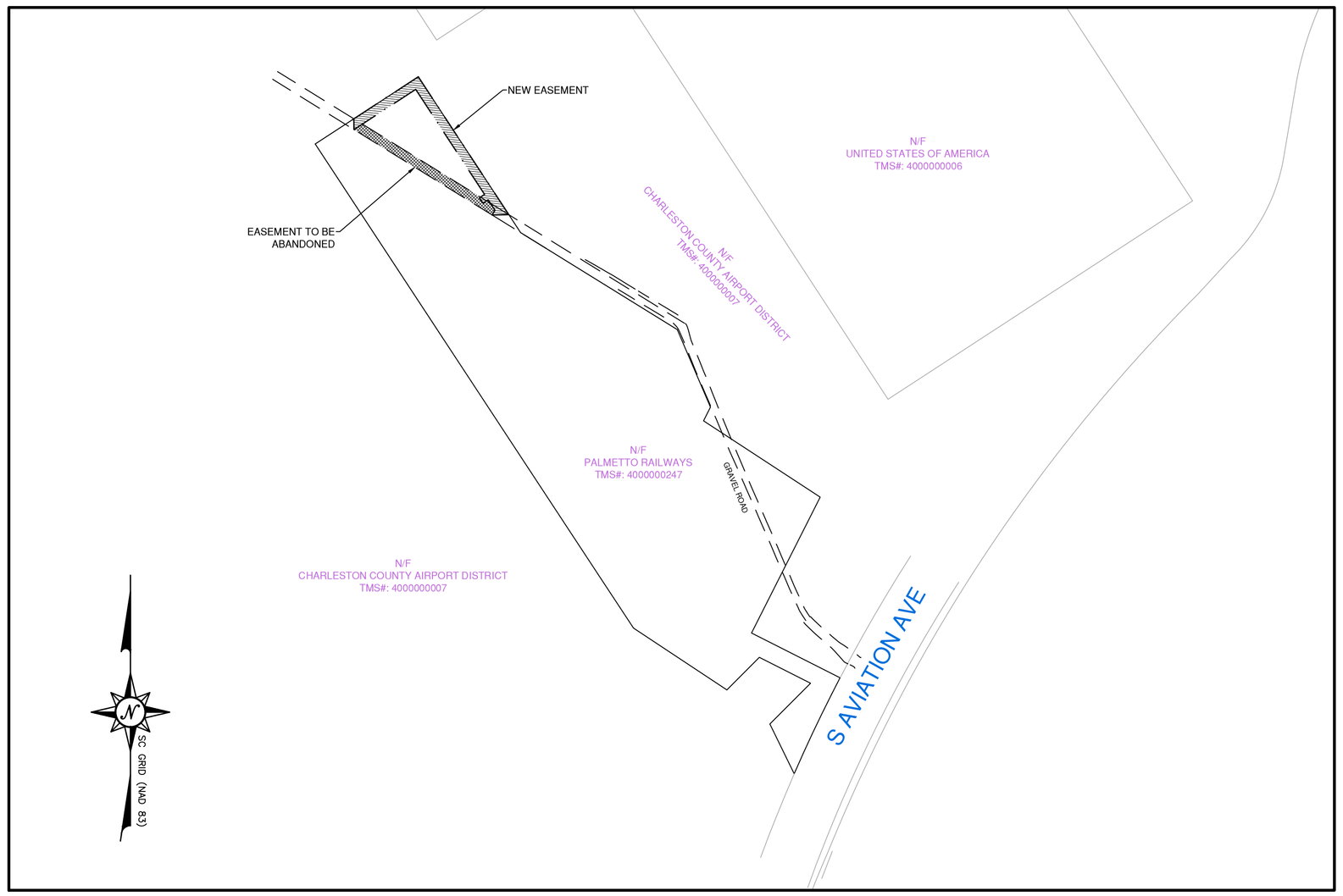
PALMETTO RAILWAYS

TMS #: 400-00-00-247

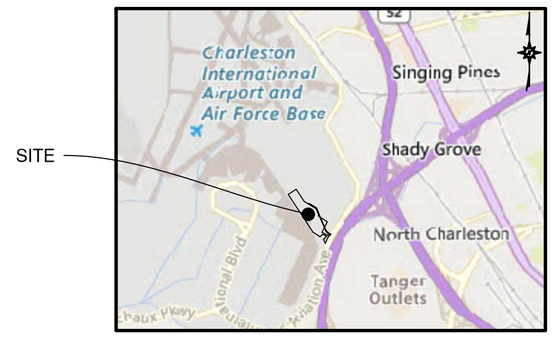
CITY OF NORTH CHARLESTON, CHARLESTON COUNTY, SC

AUGUST 21, 2025

1. SURVEY COMPLETED: 08/21/2025.
2. CONTRACTOR:
   BAG LAND DEVELOPMENT, INC.
   3785 OLD CHARLESTON HWY
   JOHNS ISLAND, SC 29455
   TELEPHONE: (843) 766-8109
3. ENGINEER:
   STANTEC CONSULTING SERVICES INC
   CONTACT: JOSH LILLY
   4969 CENTRE POINTE DR, SUITE 200
   NORTH CHARLESTON, SC 29418
   TELEPHONE: (843) 740-7700
4. WATER:
   CHARLESTON WATER SYSTEM
   103 ST PHILLIP ST
   CHARLESTON, SC 29403
   TELEPHONE: (843) 727-6800
5. OWNER / DEVELOPER:
   BOEING SOUTH CAROLINA
   3455 AIRFRAME DR
   NORTH CHARLESTON, SC 29418
   TELEPHONE: (312) 544-2000
6. PRIVATE SECTIONS ONLY OF TITLE WILL BE OWNED & OPERATED BY OWNER. TITLE IN SCDOT R/W OWNED AND MAINTAINED BY THE SCDOT.
7. HORIZONTAL IS SC GRID NAD 83.
8. ELEVATIONS ARE SHOWN IN NAVD 88.



LOCATION MAP
SCALE 1" = 250'



VICINITY MAP
NOT TO SCALE

SHEET INDEX

1. COVER SHEET
2. EASEMENT PLAN

REVISION TABLE			
REV	DESRIPTION	BY	DATE
1	ADDRESSED CWS COMMENTS	AAC	12/30/2025
2	ADDRESSED CLIENT'S COMMENTS	AAC	1/14/2026
3	ADDRESSED CWS COMMENTS	AAC	2/13/2026

I, AARON E. VANMAANEN, 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.

WITNESS MY ORIGINAL SIGNATURE, LICENSE NUMBER, AND SEAL.

_____
AARON E. VANMAANEN.
SCPLS 43382
PROFESSIONAL LAND SURVEYOR

SOUTH CAROLINA PROFESSIONAL ENGINEER AARON E. VANMAANEN No. 43382

SOUTH CAROLINA McKIM & CREED INC. No. 453 CERTIFICATE OF AUTHORIZATION

McKIM & CREED
2265 CLEMENTS FERRY RD, SUITE 204
CHARLESTON SC, 29492
TELEPHONE: (843) 459-7894
SOUTH CAROLINA FIRM COA NUMBER: 453
www.mckimcreed.com

FOR PLANNING USE ONLY

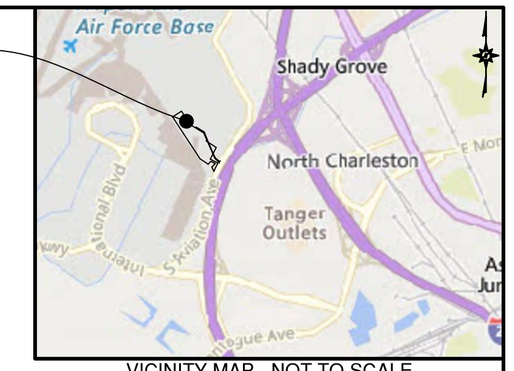
CWS PROJECT NAME:	BOEING COMMERCIAL AIRPLANE GROUP BOEING SOUTH CAROLINA SITE EXPANSION & IMPROVEMENTS FGI STALLS T1-T4
LOCATION:	NEAR S AVIATION AVE NORTH CHARLESTON, SC 29418
CLASS OF SURVEY:	A
GPS FIELD PROCEDURE:	RTK VRS
DATUM/EPOCH:	NAD83/2011
PUBLISHED/FIXED CONTROL:	N/A
GEOID MODEL:	18
UNITS:	INTERNATIONAL FEET
HORIZONTAL DATUM:	SC SPC NAD83/2011
VERTICAL DATUM:	NGVD29 (VERTICAL CONVERSION FROM NAVD88 TO NGVD29 +0.968')
NEW EASEMENT AREA:	16,106.41 SQ. FT., 0.370 ACRES
ABANDONED EASEMENT AREA:	10,913.98 SQ. FT., 0.251 ACRES

REVISION TABLE

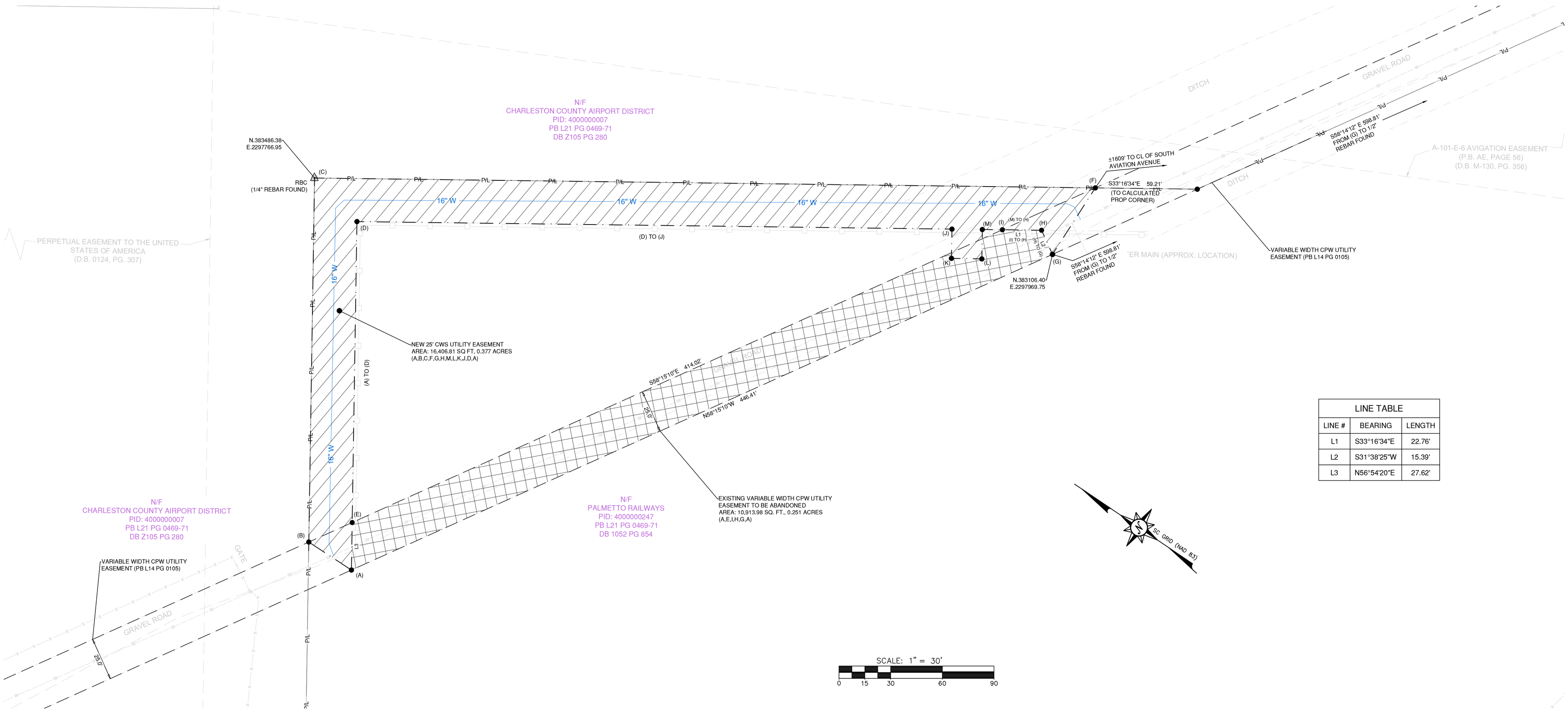
REV	DESRIPTION	BY	DATE
1	ADDRESSED CWS COMMENTS	AAC	12/30/2025
2	ADDRESSED CLIENT'S COMMENTS	AAC	1/14/2026
3	ADDRESSED CWS COMMENTS	AAC	2/13/2026

LEGEND

RBC △	=	REBAR FOUND	FH	=	FIRE HYDRANT
⊡	=	CONCRETE MONUMENT FOUND	WV	=	WATER VALVE
●	=	CALCULATED POINT	W	=	WATER METER
R/W	=	RIGHT OF WAY	w	=	UNDERGROUND WATER LINE
DB	=	DEED BOOK		=	CWS EASEMENT BOUNDARY
PG	=	PAGE		=	RIGHT OF WAY BOUNDARY
N/F	=	NOW/FORMERLY	P/L	=	BOUNDARY LINEWORK (PER PB L21 PG 0469)
DIP	=	DUCTILE IRON PIPE		=	NEW CWS EASEMENT
IE.	=	INVERT ELEVATION		=	EXISTING CWS UTILITY EASEMENT TO BE ABANDONED
PVC	=	POLYVINYL CHLORIDE PIPE			



VICINITY MAP - NOT TO SCALE



LINE TABLE

LINE #	BEARING	LENGTH
L1	S33°16'34"E	22.76'
L2	S31°38'25"W	15.39'
L3	N56°54'20"E	27.62'

I, AARON E. VANMAANEN, 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.

WITNESS MY ORIGINAL SIGNATURE, LICENSE NUMBER, AND SEAL.

SOUTH CAROLINA PROFESSIONAL ENGINEER No. 43382 AARON E. VANMAANEN

SOUTH CAROLINA McKIM & CREED INC. No. 453 CERTIFICATE OF AUTHORIZATION

AARON E. VANMAANEN.
SCPLS 43382
PROFESSIONAL LAND SURVEYOR

CONTRACTOR:
B&C LAND DEVELOPMENT, INC.
3785 OLD CHARLESTON HWY
JOHNS ISLAND, SC 29455
TELEPHONE: (843) 766-8109

ENGINEER:
STANTEC CONSULTING SERVICES INC
CONTACT: JOSH LILLY
4969 CENTRE POINTE DR, SUITE 200
NORTH CHARLESTON, SC 29418
TELEPHONE: (843) 740-7700

WATER :
CHARLESTON WATER SYSTEM
103 ST PHILLIP ST
CHARLESTON, SC 29403
TELEPHONE: (843) 727-6800

OWNER:
BOEING
3455 AIRFRAME DR
NORTH CHARLESTON, SC 29418
TELEPHONE: (312) 544-2000

McKIM&CREED
2265 CLEMENTS FERRY ROAD, SUITE 204
CHARLESTON SC, 29492
TELEPHONE: (843) 459-7894
SOUTH CAROLINA FIRM COA NUMBER: 453
www.mckimcreed.com

PLAT OF A 25' CWS UTILITY EASEMENT

PREPARED FOR CHARLESTON CWS THROUGH THE PROPERTY OF
PALMETTO RAILWAYS
TMS #: 400-00-00-247
CITY OF NORTH CHARLESTON, CHARLESTON COUNTY, SC
T1-T4 AREA
AUGUST 21, 2025

JOB NUMBER:	06971-0017
SCALE:	1" = 30'
CAD NUMBER:	
PLS:	AEV
PARTY CHIEF:	
CAD TECH:	AAC
FIELD BOOK/PAGE:	
DRAWING NUMBER:	DWG

April 20, 2026

Attn:
Real Property Services, Department of Administration State of South Carolina

Re: R/W File 26690 Cainhoy – Hamlin 115kV #2 Line
Justification for Sections 10(e) & (f) of the Easement Application

This letter serves as justification for the requested easement, explaining what alternatives (e.g., lease or license) were considered and why those alternatives were deemed insufficient, as well as specifying the requested duration of the easement, in accordance with Section 10(e) and (f) of the State Easement Application Instructions.

Dominion Energy South Carolina requests that a 50-year easement, after which converts to a license, be granted for the purpose of constructing an additional 115kV Transmission Line. The existing 115kV Transmission Line is operating at it's maximum capacity. The new 115kV Transmission Line will provide additional electric capacity for Charleston area growth made possible by the Canadys Power Station improvements.

A license is insufficient due to its non-permanent nature, lack of operational control, and absence of investment protections required for critical infrastructure such as this 115kV Transmission Line installation. This line will remain in place for decades to ensure reliable service to the Charleston area.

A lease is also insufficient for the same reasons as a license, and additionally because leases typically involve recurring payments and are designed for occupancy rather than permanent utility infrastructure.

The 50-year duration is the maximum allowable duration is requested to provide the best asset protection for this critical infrastructure.

Best regards,

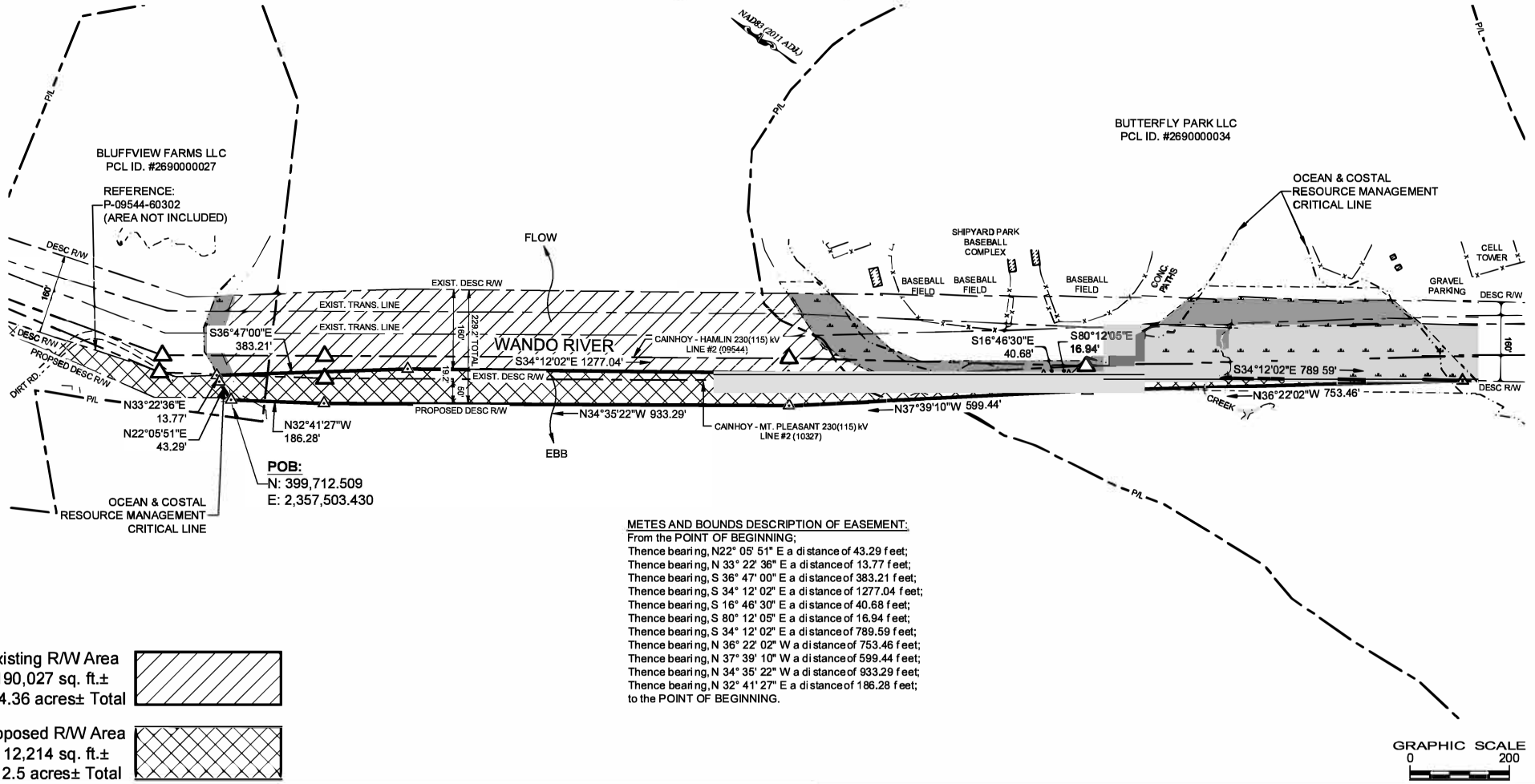
Paul E. Thompson, III
Supervisor Rights of Way Management

PLAN "SAFETY" INTO EVERY JOB

CAD DRAWING - DO NOT REVISE MANUALLY

EXHIBIT "A"

BERKELEY COUNTY



METES AND BOUNDS DESCRIPTION OF EASEMENT:

From the POINT OF BEGINNING;
Thence bearing, N22° 05' 51" E a distance of 43.29 feet;
Thence bearing, N 33° 22' 36" E a distance of 13.77 feet;
Thence bearing, S 36° 47' 00" E a distance of 383.21 feet;
Thence bearing, S 34° 12' 02" E a distance of 1277.04 feet;
Thence bearing, S 16° 46' 30" E a distance of 40.68 feet;
Thence bearing, S 80° 12' 05" E a distance of 16.94 feet;
Thence bearing, S 34° 12' 02" E a distance of 789.59 feet;
Thence bearing, N 36° 22' 02" W a distance of 753.46 feet;
Thence bearing, N 37° 39' 10" W a distance of 599.44 feet;
Thence bearing, N 34° 35' 22" W a distance of 933.29 feet;
Thence bearing, N 32° 41' 27" E a distance of 186.28 feet;
to the POINT OF BEGINNING.

Existing R/W Area
190,027 sq. ft.±
or 4.36 acres± Total

Proposed R/W Area
112,214 sq. ft.±
or 2.5 acres± Total

GRAPHIC SCALE
0 200

NOTES:

THIS SKETCH (EXHIBIT) IS NOT A BOUNDARY SURVEY, BUT IS A GRAPHIC DEPICTION OF THE EASEMENT AREA.
PROPERTY LINES DEPICTED ON THIS EXHIBIT ARE NOT VERIFIED BUT ARE DERIVED FROM GIS INFORMATION.
DATUM: COORDINATES SHOWN ON THIS EXHIBIT ARE NAD 83 SOUTH CAROLINA STATE PLANE INTERNATIONAL FEET.

PIKE ENGINEERING

PIKE ENGINEERING, LLC.
123 NORTH WHITE STREET
FORT MILL, SC 29715
SC COA No. 4286

Dominion Energy South Carolina, Inc.

FOR: CAINHOY - HAMLIN 230(115) kV LINE #2
METES AND BOUNDS OF WANDO RIVER CROSSING

DETAIL:

BERKELEY COUNTY, SC

Dominion Energy	SCALE : 1"=200' HOR.	W.O. # CONST 401266 R/W N/A	M. F. CODE	SURVEY JOB # LIDAR

DRAWN	DATE
CAD	05-31-23
APPROVED	DATE
SCW	05-31-23
KAC	05-02-23
ZLR	06-01-23
MTT	06-01-23

DRAWING NUMBER		
PROJECT	LINE NUMBER	SHEET NUMBER
P	- 09544 -	60305

REVISION DATE	NUMBER
06-01-23	0

CONTAINS CRITICAL ENERGY INFRASTRUCTURE INFORMATION. CONFIDENTIAL AND PROPRIETARY PRODUCT OF DOMINION ENERGY SOUTH CAROLINA, INC. ANY UNAUTHORIZED USE, REPRODUCTION OR TRANSFER OF THIS MATERIAL IS STRICTLY PROHIBITED. ALL RIGHTS RESERVED.

PIKE ENGINEERING, LLC - 123 NORTH WHITE STREET - FT MILL, SC 29715 - (803) 835-7820

FILE: P-09544-60305-0.dwg

DISCOVER South Carolina

South Carolina Department of
Parks, Recreation & Tourism

Henry McMaster
Governor

Duane N. Parrish
Director

June 8, 2026

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

RE: Easement Applications for Cypress Bend

Dear Ms. Lancaster,

On behalf of the South Carolina Department of Parks, Recreation & Tourism (SCPRT), this letter confirms the Agency's agreement to grant the proposed easements for an eight-inch water line and an eight-inch sewer line to serve the community of Cypress Bend. SCPRT is the responsible management agency and has conducted the due diligence required by §10-1-130.

The water and sewer lines are more fully described in the easement applications submitted to the South Carolina Department of Administration by the City of Columbia (water) and East Richland County Public Service District (sewer). The utilities are a required component of the new development of Cypress bend and will not damage SCPRT property nor materially impair its use. The property in question is part of our Service and Supply facility. It is not a state park and thus not subject to the same levels of preservation and protection.

An easement is the preferred instrument because it fits the long-term, limited-use nature of the utilities. The easement will be more stable and permanent than a lease which would provide more rights than required.

Since the grant of the easements will serve the public without materially altering the area or impacting its use, SCPRT has determined that statutory conditions have been met and submits our approval for this request.

Sincerely,

Duane Parrish, Director
South Carolina Department of Parks, Recreation & Tourism

CITY OF COLUMBIA
DEPARTMENT OF ENGINEERING

Columbia Water
Drinking Water • Wastewater • Stormwater

P O Box 147 l Columbia, SC l 29217 l 803-545-3400

April 28, 2026

Re: Easement Acquisition for Old Percival Road Tract - Off-Site Water Main for Cypress Bend; Richland County TMS#R19814-02-02 & TMS#R19813-01-03; CF#DPO-2025-01-0012
Property Owner: SC Department of Parks, Recreation and Tourism

State of South Carolina
Department of Administration
1200 Senate Street, Room 612
Columbia, SC 29201

Dear Sir or Madam:

The City of Columbia has requested a 50-year water main easement along a portion of the referenced property located on between Old Percival Road and Gray Fox Boulevard in Columbia, South Carolina. The purpose of this project is to construct a new water main along property of the South Carolina Department of Parks, Recreation and Tourism for expanding the City's water system to serve a new development in the general vicinity of the subject properties. The new water main will add public water service and fire protection to the subject properties and meet current water demands in the northeast Columbia area on property of the South Carolina Department of Parks, Recreation and Tourism, identified as Richland County tax map number R19814-02-02 and R19813-01-03.

Enclosed is an exhibit depicting the aerial view of this property and the easement describing the easement areas where the new water main will be constructed along the subject properties.

This request from the City of Columbia is for granting of a 50-year easement which aligns with the estimated 50-60 year lifespan of the water main. This is a development project for a water utility with the developer paying all costs for design and construction and the City of Columbia as the licensed utility provider will maintain and operate the water main that will benefit the SC Department of Parks, Recreation and Tourism's property. The City of Columbia will pay the $761.79 administration fee associated with each easement.

Finally, the proposed easement is requested for a period of 50 years given that it will not materially impair or impact the operations nor future development on the SC Department of Parks, Recreation and Tourism's property. 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 for shorter periods of time and are not standard documents used in the placement of utilities.

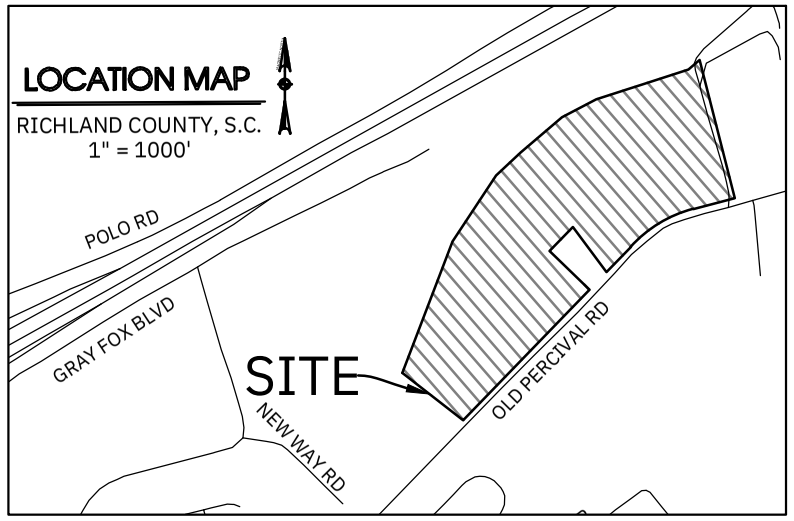
Request that the easement request be placed on the August, 2026 agenda for approval.

Thank you for your prompt attention to this matter.

Sincerely,

Gale Nash

Gale Nash
Real Estate Division Manager



SOUTH CAROLINA
CIVIL ENGINEERING OF COLUMBIA, INC
NO. 000256
CERTIFICATE OF AUTHORIZATION

CLAYTON H. WALSH P.L.S. #36748

WILLIAMSBURG EAST SUBDIVISION

N/F
WEEDON
TMS: R19813-01-75
21 NEW WAY CT.

PROPERTY LINE

N/F
SC DEPARTMENT OF PARKS,
RECREATION AND TOURISM
TMS: R19813-01-03

PROPERTY LINE

N/F
CSS LAND, LLC
TMS: R19814-02-04

N44° 56' 34"W
15.00'

R.O.W.

N44° 04' 18"E
555.37'

15' WIDE CITY OF COLUMBIA WATER MAIN EASEMENT

S57° 32' 30"E
15.31'

S44° 04' 18"W
558.71'

OLD PERCIVAL ROAD (S-1026) 66' R/W

PATRIOTS PARK
SUBDIVISION

MAGNETIC NORTH

60 30 0 60 120 180
SCALE IN FEET

RICHLAND COUNTY TAX MAP SHEET 19814; 2026 EDITION
APPROXIMATE ACREAGE- 7.09 ACRES

THIS DRAWING IS NOT A BOUNDARY SURVEY AND WAS MADE FROM COMPILATION WITH LIMITED FIELD VERIFICATION.

CITY OF COLUMBIA
DEPARTMENT OF ENGINEERING
COLUMBIA, SOUTH CAROLINA

APPROVED BY:

DRAWN BY:
LECHNER

SCALE: 1"=60'

DATE: 7.02.2026

OLD PERCIVAL ROAD TRACT OFF-SITE WATER MAIN FOR CYPRESS BEND

PROJECT NO.: CEC #24082

REVISION NO:

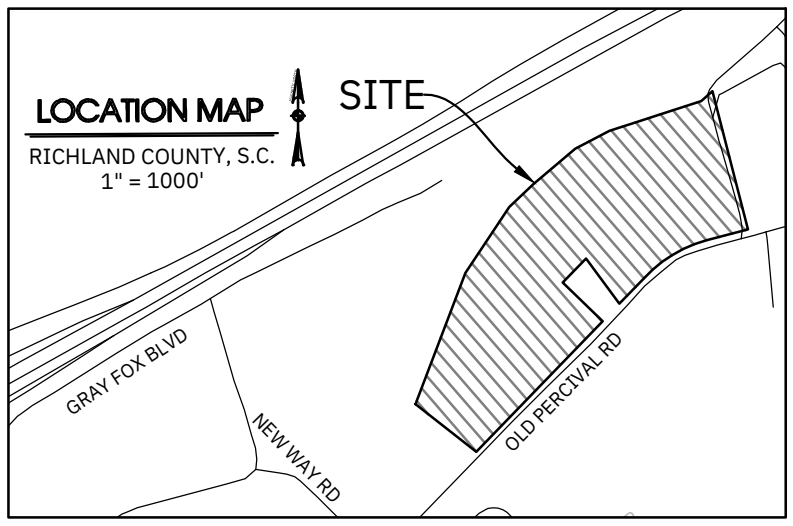
SHEET 1 OF 2

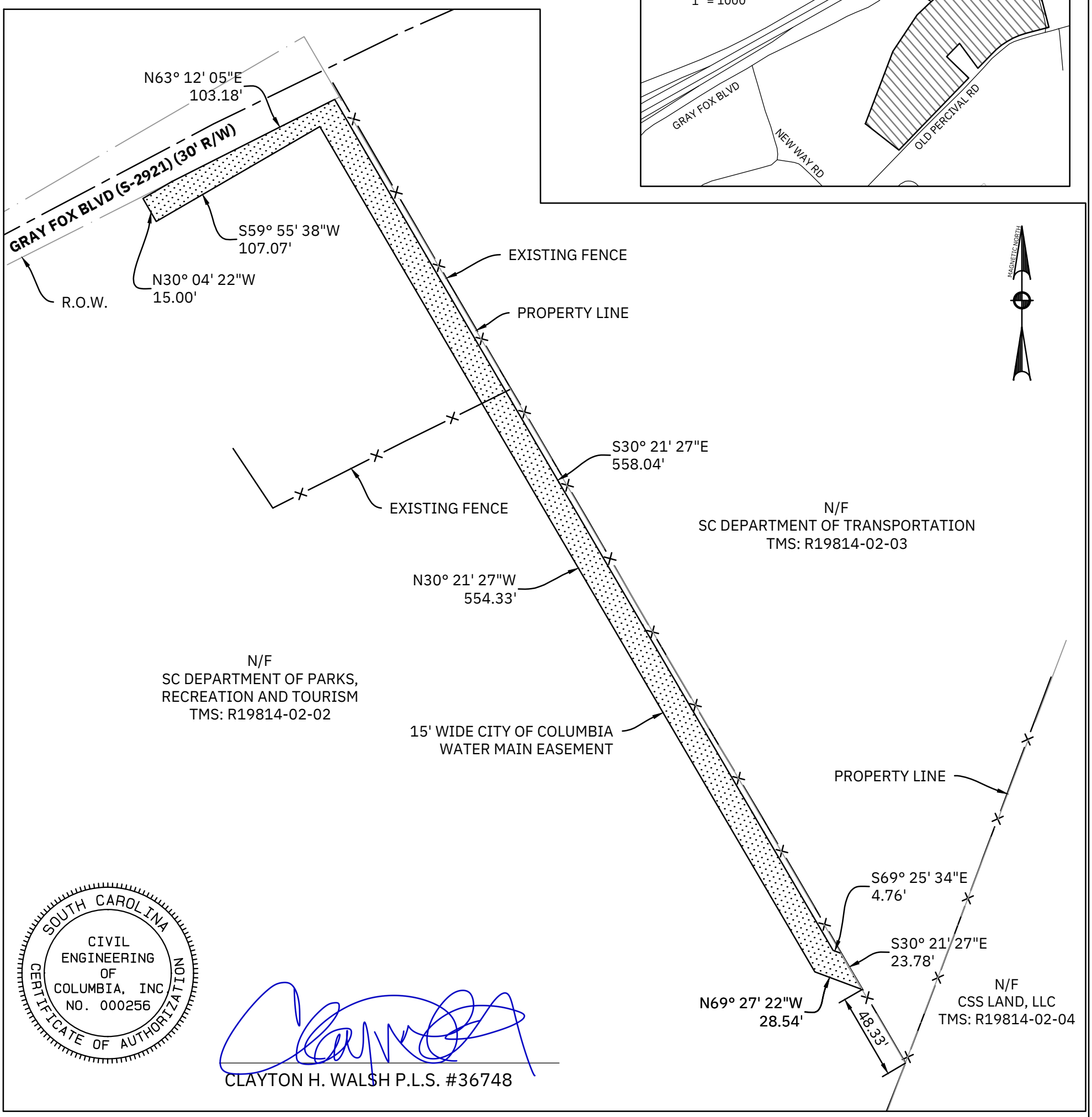
N/F
SC DEPARTMENT OF PARKS,
RECREATION AND TOURISM
TMS: R19183-01-03

TOTAL EASEMENT = 0.19 ACRES

CF#DPO-2025-01-0003

CROSS REFERENCE: CF#DPO-2025-01-0012
AND CF#DPO-2025-01-0032 (CYPRESS BEND)





SOUTH CAROLINA
CIVIL ENGINEERING OF COLUMBIA, INC
NO. 000256
CERTIFICATE OF AUTHORIZATION

CLAYTON H. WALSH P.L.S. #36748

60 30 0 60 120 180
SCALE IN FEET

N/F
SC DEPARTMENT OF PARKS,
RECREATION AND TOURISM
TMS: R19184-02-02

TOTAL EASEMENT = 0.23 ACRES

CF#DPO-2025-01-0012

CROSS REFERENCE: CF#DPO-2025-01-0003
AND CF#DPO-2025-01-0032 (CYPRESS BEND)

RICHLAND COUNTY TAX MAP SHEET 19814; 2026 EDITION
APPROXIMATE ACREAGE- 8.07 ACRES

THIS DRAWING IS NOT A BOUNDARY SURVEY AND WAS MADE FROM COMPILATIONS WITH LIMITED FIELD VERIFICATION.

CITY OF COLUMBIA
DEPARTMENT OF ENGINEERING
COLUMBIA, SOUTH CAROLINA

SCALE: 1"=60'	APPROVED BY:	DRAWN BY: LECHNER
DATE: 7.02.2026		

OLD PERCIVAL ROAD TRACT OFF-SITE WATER MAIN FOR CYPRESS BEND

PROJECT NO.: CEC #24082	SHEET 2 OF 2
REVISION NO:	

DISCOVER South Carolina

South Carolina Department of
Parks, Recreation & Tourism

Henry McMaster
Governor

Duane N. Parrish
Director

June 8, 2026

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

RE: Easement Applications for Cypress Bend

Dear Ms. Lancaster,

On behalf of the South Carolina Department of Parks, Recreation & Tourism (SCPRT), this letter confirms the Agency's agreement to grant the proposed easements for an eight-inch water line and an eight-inch sewer line to serve the community of Cypress Bend. SCPRT is the responsible management agency and has conducted the due diligence required by §10-1-130.

The water and sewer lines are more fully described in the easement applications submitted to the South Carolina Department of Administration by the City of Columbia (water) and East Richland County Public Service District (sewer). The utilities are a required component of the new development of Cypress bend and will not damage SCPRT property nor materially impair its use. The property in question is part of our Service and Supply facility. It is not a state park and thus not subject to the same levels of preservation and protection.

An easement is the preferred instrument because it fits the long-term, limited-use nature of the utilities. The easement will be more stable and permanent than a lease which would provide more rights than required.

Since the grant of the easements will serve the public without materially altering the area or impacting its use, SCPRT has determined that statutory conditions have been met and submits our approval for this request.

Sincerely,

Duane Parrish, Director
South Carolina Department of Parks, Recreation & Tourism

CIVIL ENGINEERING of COLUMBIA

cecola.com
803.798.2820
Post Office Box 1137
Irmo, SC 29063

July 8, 2026

Linda Gordon
Real Property Services
Division of Facilities Management and Property Services
South Carolina Department of Administration
1200 Senate Street, Room 612-A
Columbia, SC 29201

Dear Ms. Gordon,

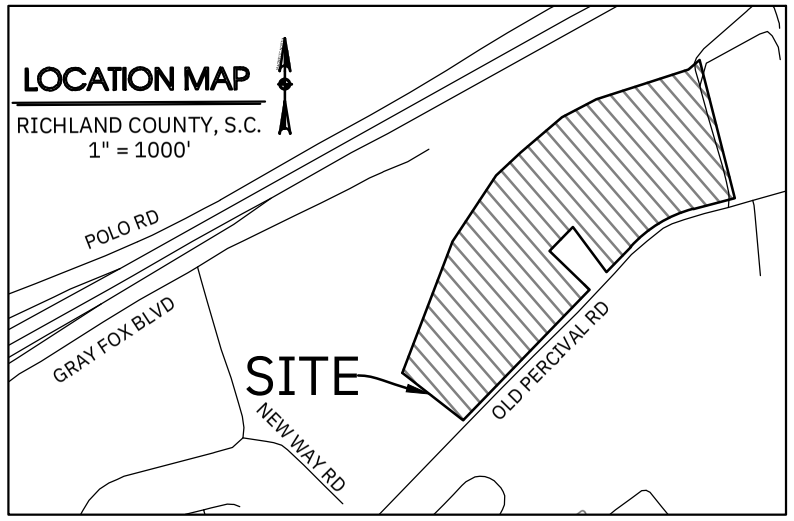
Civil Engineering of Columbia has proposed an 8" gravity sanitary sewer line that encroaches on a parcel in Richland County owned by the South Carolina Parks, Recreation and Tourism Department. The purpose and need of the sewer line and easement is to extend the East Richland County Public Service District (ERCPSD) sewer system to serve a new residential development in Northeast Columbia known as Cypress Bend. The proposed sewer line has been permitted by the South Carolina Department of Environmental Services. A portion of the sewer line is on private property within an easement to be dedicated to ERCPSD. We discussed obtaining a lease and/or license agreement with ERCPSD in lieu of an easement; however, they require an easement so that they can safely operate and maintain the sewer line that will serve the public. We are applying for a 50-year easement because ERCPSD intends to serve the public with sewer service for the duration of the agreement.

Please contact me if you have any questions or need any additional information. You can reach me by phone at (803) 851-0402 or via email at jlechner@cecola.com.

Sincerely,
Civil Engineering of Columbia

Jeremy Lechner

Jeremy Lechner
Project Manager



SOUTH CAROLINA
CIVIL ENGINEERING OF COLUMBIA, INC
NO. 000256
CERTIFICATE OF AUTHORIZATION

CLAYTON H. WALSH P.L.S. #36748

WILLIAMSBURG EAST SUBDIVISION

N/F
WEEDON
TMS: R19813-01-75
21 NEW WAY CT.

PROPERTY LINE

R.O.W.

N/F
SC DEPARTMENT OF PARKS
RECREATION AND TOURISM
TMS: R19813-01-03

MANHOLE A
(IN SCDOT R/W)

EAST RICHLAND COUNTY
PUBLIC SERVICE DISTRICT
SEWER LINE EASEMENT
(WIDTH VARIES)

N47° 39' 09"W
7.50'

PROPERTY LINE

PROPOSED 8"
GRAVITY SEWER LINE

N42° 20' 51"E
131.73'

S57° 32' 30"E
11.70'

S44° 04' 18"W
133.80'

N/F
CSS LAND, LLC
TMS: R19814-02-04

OLD PERCIVAL ROAD (S-1026) 66' R/W

PATRIOTS PARK SUBDIVISION
SUBDIVISION

MAGNETIC NORTH

60 30 0 60 120 180
SCALE IN FEET

RICHLAND COUNTY TAX MAP SHEET 19814; 2026 EDITION
APPROXIMATE ACREAGE- 7.09 ACRES

THIS DRAWING IS NOT A BOUNDARY SURVEY AND WAS MADE FROM COMPILATIONS WITH LIMITED FIELD VERIFICATION.

CIVIL ENGINEERING OF COLUMBIA
IRMO, SOUTH CAROLINA

DRAWN BY: LECHNER

APPROVED BY:

SCALE: 1"=60'

DATE: 7.02.2026

CYPRESS BEND OFFSITE SEWER LINE

SHEET 1 OF 1

PROJECT NO.: CEC #24082

REVISION NO:

N/F
SC DEPARTMENT OF PARKS,
RECREATION AND TOURISM
TMS: R19183-01-03

TOTAL EASEMENT= 0.03 ACRES

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: The Citadel, The Military College of South Carolina Lease to The Citadel Alumni Association of 69 Hagood Avenue, Charleston, SC

The Citadel (College) requests approval to lease 69 Hagood Avenue, the Holliday Alumni Center, Charleston to The Citadel Alumni Association (Tenant) for office and event space. The Citadel Alumni Association formerly known as the Association of Citadel Men has leased this space since 1997. The lease agreement is associated with a Memorandum of Understanding (MOU) between the College and the Tenant that sets out the responsibilities of the respective parties including but not limited to a provision that the College provide space for the Tenant to support their normal business. The Citadel's Board of Visitors approved the signing of the lease on June 5, 2026.

The Tenant subleases approximately 3,486 square feet of space to The Citadel Development Foundation in the amount of $64,491.00 annually and provides space to The Citadel Brigadier Foundation at no cost. The Citadel Development Foundation and The Citadel Brigadier Foundation are the school's primary fundraising and athletics fundraising entities, respectively. The Tenant also has the option to enter into short-term rentals for civic events, celebrations and other revenue generating events. The Tenant shares its net revenue generated from lease agreements and all other fundraising activities with the school every year. Under the Memorandum of Understanding, the Association guarantees that amount will be at least three-hundred thousand ($300,000) dollars each year. In that MOU, the Tenant also guarantees over four hundred thousand ($400,000) dollars in scholarship support each year.

The requested lease term is twenty-five (25) years and is expected to commence on or about September 1, 2027, and includes an option to extend the lease term for an additional ten (10) years for a total possible lease term of thirty-five (35) years ending August 31, 2061.

The Citadel Alumni Association was founded in 1938 and is dedicated to supporting the College. The annual rent for the initial term and the optional extended term shall be $1.00 per year. The Tenant shall be responsible for all building operating costs including utilities, maintenance, janitorial and any other service necessary to maintain the space.

The lease has adequate parking on the premises.

No option to purchase the property is included in the lease.

The lease was approved by the Joint Bond Review Committee at their meeting on August 18, 2026.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: The Citadel, The Military College of South Carolina Lease to The Citadel Alumni Association of 69 Hagood Avenue, Charleston, SC

AUTHORITY ACTION REQUESTED:

Approve the proposed twenty-five-year lease with one optional ten year additional term from The Citadel, The Military College of South Carolina, for the building located at 69 Hagood Avenue in Charleston to The Citadel Alumni Association, 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: 8/19/2026 **Regular Agenda**

1. Submitted by:
(a) Agency: Department of Administration
(b) Authorized Official Signature: Ashlie Lancaster
Ashlie Lancaster, FMPS Director

2. Subject: The Citadel, The Military College of South Carolina Lease to The Citadel Alumni Association of 69 Hagood Avenue, Charleston, SC

3. Summary and Background Information:

The Citadel (College) requests approval to lease 69 Hagood Avenue, the Holliday Alumni Center, Charleston to The Citadel Alumni Association (Tenant) for office and event space. The Citadel Alumni Association formerly known as the Association of Citadel Men has leased this space since 1997. The lease agreement is associated with a Memorandum of Understanding (MOU) between the College and the Tenant that sets out the responsibilities of the respective parties including but not limited to a provision that the College provide space for the Tenant to support their normal business. The Citadel's Board of Visitors approved the signing of the lease on June 5, 2026.

The Tenant subleases approximately 3,486 square feet of space to The Citadel Development Foundation in the amount of $64,491.00 annually and provides space to The Citadel Brigadier Foundation at no cost. The Citadel Development Foundation and The Citadel Brigadier Foundation are the school's primary fundraising and athletics fundraising entities, respectively. The Tenant also has the option to enter into short-term rentals for civic events, celebrations and other revenue generating events. The Tenant shares its net revenue generated from lease agreements and all other fundraising activities with the school every year. Under the Memorandum of Understanding, the Association guarantees that amount will be at least three-hundred thousand ($300,000) dollars each year. In that MOU, the Tenant also guarantees over four hundred thousand ($400,000) dollars in scholarship support each year.

The requested lease term is twenty-five (25) years and is expected to commence on or about September 1, 2027, and includes an option to extend the lease term for an additional ten (10) years for a total possible lease term of thirty-five (35) years ending August 31, 2061.

The Citadel Alumni Association was founded in 1938 and is dedicated to supporting the College. The annual rent for the initial term and the optional extended term shall be $1.00 per year. The Tenant shall be responsible for all building operating costs including utilities, maintenance, janitorial and any other service necessary to maintain the space.

The lease has adequate parking on the premises.

No option to purchase the property is included in the lease.

The lease was approved by the Joint Bond Review Committee at their meeting on August 18, 2026.

4. What is the Authority asked to do? Approve the proposed twenty-five-year lease with one optional ten year additional term from The Citadel, The Military College of South Carolina for the building located at 69 Hagood Avenue in Charleston to The Citadel Alumni Association.

---

5. What is recommendation of the submitting agency involved? Approve the proposed twenty-five-year lease with one optional ten year additional term from The Citadel, The Military College of South Carolina for the building located at 69 Hagood Avenue in Charleston to The Citadel Alumni Association..

---

6. Private Participant Disclosure – Check only 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:

College Request Letter
Private Participant Disclosure
Map and Street View of Premises
Lease Agreement
Memorandum of Understanding & Affiliation Agreement

---

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop. Supporting documentation should include all related agreements or approval requests (e.g., leases, contracts, permanent improvements, indebtedness, agenda items), either current or anticipated; or provide affirmation from the submitting agency that there are no related transactions.

THE CITADEL

June 25, 2026

State Fiscal Accountability Authority
Post Office Box 12444
Columbia, SC 29211

Re: Lease of The Citadel's Holliday Alumni Center

To Whom It May Concern:

The Citadel respectfully requests permission to renew its lease of the Holliday Alumni Center to The Citadel Alumni Association. The Citadel Alumni Association was founded in 1938 and is dedicated to supporting the college. The Citadel first leased this property – with Budget and Control Board approval – to the CAA in 1997, shortly after purchasing it from the City of Charleston. The Alumni Association is one of the three long-term tenants in the Alumni Center, along with The Citadel Foundation and The Citadel Brigadier Foundation, the school's primary fundraising and athletics fundraising entities, respectively. The Alumni Association maintains the Alumni Center for the school. It also enters short term rentals for innumerable civic events, celebrations, and other revenue generating events.

The Association shares its net revenue generated from these leases and all other fundraising activities with the school every year. Under the associated Memorandum of Understanding, the Association guarantees that amount will be at least three-hundred thousand ($300,000) dollars each year. Importantly, in that MOU, the CAA also guarantees over four hundred thousand ($400,000) dollars in scholarship support each year.

In short, The Citadel Alumni Association has long been an outstanding supporter of The Citadel. It has been an especially valuable partner in its stewardship of the Holliday Alumni Center. Thus, The Citadel requests permission to renew that lease for another twenty-five years with a tenant option to extend an additional ten (10) years for a possible total term of thirty-five (35) years.

Sincerely,

Mark C. Brandenburg
General Counsel

MCB:blh

Office of the General Counsel
171 Moultrie Street, Bond 183, Charleston, SC 29409-6480 | (843) 953-5252 | FAX 843-953-5509 | www.citadel.edu

GOVERNMENTAL REAL ESTATE LEASE OUT

THIS LEASE AGREEMENT (the "Lease") is made as of the Effective Date (which is the date on which the Department of Administration, Real Property Services, approves this Lease as set forth on the signature page) by and between The Citadel, The Military College of South Carolina ("Landlord") an agency, institution, department (including any division or bureau thereof) or political subdivision of the State of South Carolina, having an address at 171 Moultrie Street, Charleston, South Carolina 29409, and The Citadel Alumni Association ("Tenant"), having an address at The Citadel, 69 Hagood Avenue, Charleston, South Carolina 29409.

ARTICLE 1 – DEMISE OF PREMISES

1.1 Landlord hereby leases to Tenant and Tenant does hereby hire and rent from Landlord, upon and subject to the terms, covenants, and conditions hereinafter set forth, the premises (the "Leased Premises") consisting of "The National Guard Armory" (the "Building") located at 69 Hagood Avenue, in the County of Charleston, State of South Carolina (the "Land"), together with the right of ingress and egress to and from the Leased Premises and the non-exclusive right, in common with Landlord and other tenants, to use the common public areas in the Building and such facilities and land area as Landlord may designate from time to time as appurtenances to the Building, and subject to all rights hereinafter reserved to Landlord. The Tenant has inspected the Leased Premises and has agreed to accept them in "as is" condition.

ARTICLE 2 - TERM

2.1 The term of this Lease shall be twenty-five (25) years, beginning on September 1, 2026 (the "Commencement Date"), and unless terminated or extended, shall end on August 31, 2051 (the "Termination Date"). At any time prior to June 30, 2050, Tenant shall have the option to renew this Lease and extend its duration for one (1) additional period of ten (10) years (the "***Extension Term***") upon written notice to Landlord given in accordance with this Lease, provided Tenant is not in default at the time of such notice. Tenant or Landlord can terminate this Lease with thirty (30) days advance written notice.

ARTICLE 3 – RENT

3.1 Tenant shall pay rent (the "Rent"), as consideration to Landlord without demand, at the rate of $1.00 per year payable each year on September 1.

3.2 All rental payments to be made by Tenant pursuant to this Lease shall be

apportioned and prorated as 100% shares as of the Commencement Date and the Termination Date or as of the date of an earlier termination pursuant to this Lease, as the case may be.

3.3 Unless notified otherwise in writing, all payments of Rent shall be mailed to Landlord at:

The Citadel, The Military College of South Carolina
171 Moultire Street
Charleston, SC 29409

ARTICLE 4 – USE

4.1. Tenant shall have the right to use the Leased Premises for the following purposes only and for no other use whatsoever:

(a) Administrative space;

(b) Rental of space for social events and other special functions with all proceeds retained by the Tenant.

ARTICLE 5 – ASSIGNMENT AND SUBLETTING

5.1 Tenant shall not, without the prior written consent of Landlord in each instance, (a) assign, mortgage or encumber its interest in this Lease, in whole or part, or (b) sublet or permit the subletting of the Leased Premises or any part thereof, or (c) permit the Leased Premises or any part thereof to be occupied or used for desk space, mailing privileges, or otherwise, by any person other than the Tenant. If Tenant's interest in this Lease is assigned, whether or not in violation of the provision of this Article, Landlord may direct said Assignee to pay rent, excess rent, and additional rent directly to Landlord. If the Leased Premises or any parts thereof are sublet to, occupied by, or used by any person other than Tenant, whether or not in violation of this Article, Landlord may direct said Subtenant, User, or Occupant to pay rent, excess rent, and additional rent directly to Landlord.

ARTICLE 6 - SERVICES

6.1 Except to the extent addressed otherwise herein or in that certain Amended and Restated Memorandum of Understanding and Affiliation Agreement by and between The Citadel, the Military College of South Carolina, and The Citadel Alumni Association, dated July 1, 2026, the services provided by the Landlord to Tenant shall be billable to Tenant based on Tenant's pro-rata share of the Building and shall include, but are not limited to, water (hot and cold water) and sewer, lighting, heating, ventilating, air conditioning, electricity, elevator

service, janitorial service, security service, fire detection service, fire suppression, grounds maintenance, general building maintenance, building equipment maintenance, electrical systems maintenance, HVAC maintenance, plumbing maintenance and any other service necessary to maintain and operate all Building and site improvements. Services provided by the Landlord shall include all service charges, labor, materials and supplies.

6.2 Tenant shall conserve heat, air conditioning, water, and electricity and shall use due care in the use of the Leased Premises and without qualifying the foregoing shall not neglect or misuse water fixtures, electric lights, and heating and air conditioning apparatus. Tenant agrees to abide by all governmental regulations applying to conservation of energy by complying with any and all thermostatic setting guidelines. Tenant in so doing agrees to hold Landlord harmless from any penalty resulting from Tenant's noncompliance.

6.3 Tenant shall operate and manage the Holliday Alumni Center (the "***HAC***") and Hollings Hall within the Building. Tenant and Landlord shall have the following responsibilities in connection with the foregoing provision:

a. Tenant shall be responsible for all customary and reasonable operating expenses of the HAC and Hollings Hall;

b. Tenant shall reimburse Landlord for all customary and reasonable repairs, upkeep, and maintenance as well as any Tenant-approved renovation or other capital projects related to the HAC and Hollings Hall, including maintenance, repair and if necessary replacement of the roof;

c. Notwithstanding anything to the contrary in this Lease, Tenant may sublease, in writing, portions of the Building on a long-term basis upon approval of the President of The Citadel and collect rent for same. Tenant may also provide use of the facility to non-Citadel activities or individuals on a short-term basis and collect rents or user fees;

d. Tenant will make the parking areas on the Leased Premises adjacent to the HAC and Hollings Hall available for Citadel functions, as Landlord deems necessary, at no cost to Landlord, subject to Tenant's existing sublease obligations to the U.S. Army Corps of Engineers and The Citadel Foundation. Landlord will make parking areas adjacent to Johnson Hagood Stadium available to Tenant, subject to the needs and requirements of the South Carolina Corps of Cadets and the South Carolina National Guard;

e. The Citadel Office of Public Safety will be responsible for external

security of the HAC and Hollings Hall, on such terms and under such conditions as it provides to all other buildings on the campus of The Citadel. Tenant will be responsible for operation, control, and internal security of the HAC and Hollings Hall. Appropriate internal security procedures and directives will be developed and maintained by the Tenant Executive Director, which procedures and directives will be reviewed and approved by the Chief of The Citadel's Office of Public Safety;

f. Tenant will be responsible for internal custodial services of the HAC and Hollings Hall;

g. Landlord will be responsible for the cleanup and repair of the grounds adjacent to the HAC and Hollings Hall, but the cost thereof will be reimbursed by Tenant when subleased to others for parking, or when used to support Tenant or subleased events in the HAC or Hollings Hall. Landlord will be responsible for waste disposal, but the cost thereof will be reimbursed by Tenant for leased use of the facility.

ARTICLE 7 - SECURITY DEPOSIT

7.1 Intentionally deleted.

ARTICLE 8 – LANDLORD PROVISIONS AND REPRESENTATIONS

8.1 Indemnity. Landlord shall not be liable to Tenant, or those claiming through or under Tenant, for injury, death, or property damage occurring in, on, or about the Building and appurtenances thereto, and Tenant shall indemnify Landlord and hold it harmless from (including its affiliates, employees, officers, directors and agents) any claim of damage arising out of any injury, death, or property damage occurring in, on or about the Leased Premises to Tenant or any employee, customer, or invitee of Tenant, unless caused through the negligence of Landlord.

8.2 No Warranty regarding Uninterrupted Service. It is agreed that Landlord does not warrant that any one of the services referred to in articles above will be free from interruption, including the interruption or curtailment of service resulting from energy shortages. Interruption of service shall never be deemed an eviction or disturbance of Tenant's use and possession of the Leased Premises or any part thereof or render Landlord liable to Tenant for damages, or relieve Tenant from performance of Tenant's obligations under this Lease.

8.3 Landlord reserves the right to place, access and maintain (in such manner as to keep to a minimum interference with Tenant's use of the Lease Premises) utility lines, conduits,

pipes, tunneling, and the like in, over, below, and upon the Leased Premises as deemed appropriate by Landlord.

8.4 Quiet Enjoyment. Landlord covenants that Tenant shall peaceably and quietly possess and enjoy the Leased Premises as against all persons claiming any right, title, or interest in and to said Leased Premises so long as Tenant shall faithfully perform the covenants, obligations, agreements, and conditions of this Lease.

8.5 Keys. The Landlord will provide the Tenant with keys and/or electronic codes which provide access to the Premises. Landlord reserves the right to change locks and/or electronic access codes and provide same to Tenant on an as needed basis when changed. In the event Tenant loses or misplaces keys to the Leased Premises, then Tenant will pay Landlord an amount sufficient to cover the cost of changing locks and/or electronic access codes. The Tenant is responsible for accounting for all keys provided or duplicated and shall return all keys of Leased Premises to the Landlord upon termination or cancellation of this Lease and/or Tenant's vacating said Leased Premises. Landlord shall have the right if in the Landlord's sole judgment it is necessary, to require the Tenant at Tenant's expense to replace locks, and to supply Landlord with one key to the new locks, including a master key. The Landlord shall retain a master key or pass key to the Leased Premises, including all security locks and systems. Tenant shall not change or install new locks or security systems without written approval from Landlord.

8.6 Landlord's Right to Enter. Landlord, or its authorized agents, may at any reasonable time, enter the Leased Premises to inspect, make repairs, improvements, and/or changes in the Leased Premises or other premises in the Building or adjacent premises as Landlord may deem proper; and there shall be no diminution of rent, or liability on the part of the Tenant by reason of inconvenience, annoyance, or injury to business. Landlord agrees, when possible, to notify Tenant of need to enter the Leased Premises except in life threatening emergencies.

ARTICLE 9 – TENANT'S COVENANTS

9.1 Tenant shall notify Landlord of any accident or injury to persons or property in Tenant's area within 24 hours of such accident.

9.2 Tenant agrees to keep the Leased Premises in a neat, clean, and attractive condition; to comply properly with all laws, ordinances, and other governmental rules and regulations concerning the Leased Premises and the streets, sidewalks, alleys, parks, parkways,

and other public property abutting the Leased Premises; to use the Leased Premises for no purpose which would render void the fire, extended coverage, and added perils insurance on the Building; and, to prevent the escape from the Leased Premises of noise, fumes, odors, glare, vibration, noxious gasses, radiation, dust, liquid wastes, smoke, and other substances which may be offensive or constitute a nuisance or interference with other persons.

9.3 Tenant will not, at any time, deface or injure any portion of the Leased Premises; or burn anything in or about the Leased Premises; or keep or display any merchandise or other object on or otherwise obstruct any sidewalks, stairways, walkways, streets, parks or parkways; or use or permit the use of any portion of the Leased Premises as a living quarters, sleeping rooms, or for similar uses.

]9.4 Tenant will not, at any time, without obtaining Landlord's prior written consent, conduct or permit any fire, bankruptcy, or auction sale on the Leased Premises, or change the exterior color of the Building or any part thereof: or park, operate, load, or unload any truck or other delivery vehicle any place other than the loading area designated for such use; or use the plumbing facilities for any purpose other than that for which they were constructed or dispose of any foreign substances therein; or install any shades, awning, machinery, motors, or ducts, or install any amplifiers, loudspeakers, microphones, or similar devices for any purpose, or use any advertising medium, which may be heard or seen inside or outside the Building; or permit any rubbish or garbage to accumulate on the Leased Premises in other than rubbish removal area; or install, maintain, alter, or operate any sign or display visible to public view inside or outside the Building; or store materials, supplies, equipment, or other materials outside the Building or outside the space occupied by Tenant.

ARTICLE 10 - SURRENDER

10.1 Upon the expiration or termination of the Lease, Tenant shall at its own expense: (a) remove Tenant's goods and effects and those of all persons claiming under Tenant; (b) quit and deliver up the Leased Premises to Landlord, peaceably and quietly, in as good order and condition as the same were in on the Commencement Date or were thereafter placed in by Landlord, reasonable wear and tear excepted; and (c) at Landlord's request, restore the Leased Premises to general standards adopted from time to time by Landlord for general application throughout the Building. At Landlord's option, any property left in the Leased Premises after the expiration or termination of the Lease Term may be deemed to have been abandoned and the

property of the Landlord to dispose of as Landlord deems expedient.

ARTICLE 11 - HOLDOVER

11.1 If Tenant shall remain in possession of the Leased Premises after expiration of the term of this Lease or any extension thereof, without written agreement as to such possession, then Tenant shall be a Tenant on a monthly basis and continue to pay the Rent last in effect under the Lease provided for herein. The rental shall be paid in advance on the first day of each month during such hold-over term. Such tenancy shall continue until terminated by Landlord or until Tenant shall have given to Landlord a written notice at least one (1) month prior to the date of termination of such monthly tenancy of its intention to terminate such tenancy. Landlord may terminate the holding over at any time. Such holding over shall not constitute an extension of this Lease.

ARTICLE 12 - CASUALTY

12.1 If the Building is damaged or destroyed by fire or other casualty, the Landlord shall have the right to terminate this Lease, provided it gives written notice thereof to the Tenant within ninety (90) days after such damage or destruction. If a portion of the Leased Premises, exclusive of any improvements or other changes made to the Leased Premises by Tenant, is damaged by fire or other casualty, and this Lease is not thereby terminated, the Landlord shall, at its expense, restore the Leased Premises to as near the condition which existed immediately prior to such damage or destruction, as reasonably possible, and rent shall abate during such period of time as the Leased Premises are untenantable, in the proportion that the untenantable portion of the Lease Premises bears to the entire Leased Premises. The Landlord shall not be responsible to the Tenant for damage to, or destruction of any furniture, equipment, improvements, or other changes made by the Tenant in, on, or about the Leased Premises regardless of the cause of the damage or destruction. Landlord shall not be responsible to Tenant for any damages suffered by Tenant due to the Leased Premises being untenantable for a period of time.

12.2 All personal property belonging to Tenant or to any other person located in or about said Leased Premises or the Building shall be there at the sole risk of Tenant or such other person, and neither Landlord nor Landlord's agent or employee shall be liable for the theft or misappropriation thereof, nor for any damage or injury thereof, nor for death or injury of Tenant, or any other person or damage to property caused by water, snow, frost, steam, heat, cold, dampness, falling plaster, explosions, sewers or sewage, gas, odors, noise, the bursting or leaking

of pipes, plumbing, electrical wiring, and equipment and fixtures of all kinds, or by any acts or negligent acts of other Tenants or occupants of the Building, or of any other person, unless any such loss is caused through the negligence of Landlord.

ARTICLE 13 – ALTERATIONS

13.1 Tenant will not make any alterations of, improvements, or addition to the Leased Premises without the written approval of Landlord, and all alterations, additions, or improvements which may be made by either of the parties hereto upon the Leased Premises, except movable office furnishings, shall be the property of Landlord and shall remain upon and be surrendered with the Leased Premises as part thereof, at the termination of this Lease or any extension thereof. Tenant will not permit any mechanics', laborers' or "materialman's" liens to stand against the Leased Premises or the Building for any labor or material furnished in connection with any work performed or claimed to have been performed in, on, or about the Leased Premises.

13.2 If any lien or notice of lien on account of alleged debt of Tenant or any notice of contract by a party engaged by Tenant or Tenant's contractor to work on the Leased Premises shall be filed against the Leased Premises of record by payment, deposit, bond, order of a court of competent jurisdiction, or otherwise and if Tenant shall fail to cause such lien or notice of lien to be discharged within the period aforesaid, then, in addition to any other right or remedy, Landlord may, but shall not be obligated to, discharge the same only by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event, Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien by lienor and to pay the amount of the judgment in favor of the lienor with interest, costs, and allowances. Any amount so paid by Landlord and all costs and expense including attorney fees, incurred by Landlord in connection therewith, together with interest thereon at the maximum legal rate from the respective dates of Landlord's making of the payment or incurring of the cost and expense, shall constitute additional rent payable by Tenant under this Lease and shall be paid by Tenant to Landlord on demand. Nothing herein contained shall obligate Tenant to pay or discharge any lien created by Landlord.

ARTICLE 14 - INSURANCE

14.1 Tenant agrees to maintain in force, at all times during the term of this Lease, on all fixtures, equipment, personnel, and inventory in the Leased Premises, a policy or policies of

insurance with companies licensed to transact business in the state of South Carolina, to the extent of 100% of the insurable replacement value thereof, the proceeds of which will, as long as this Lease is in effect, be used for the repair or the replacement of the property so insured.

14.2 Tenant, at its own expense, shall provide and keep in force with companies acceptable to the Landlord, public liability insurance for the benefit of the Landlord and Tenant jointly against liability in the amount of not less than One Million Dollars ($1,000,000) per occurrence, combined single limit for bodily injury and property damage. Tenant shall furnish Landlord a certificate of insurance naming Landlord as additional loss payee for the term of the Lease, with a certificate of such policy confirming such coverage due on or before the Commencement Date and the first day of any extended term. Tenant agrees to arrange for notice by its insurance carrier in the event of any cancellation of insurance coverage.

ARTICLE 15 - ABILITY TO PERFORM

15.1 This Lease and the obligation of Tenant to pay rent hereunder and perform all of the other covenants and agreements hereunder on the part of Tenant to be performed shall in no way be affected, impaired, or excused because Landlord is unable to fulfill any of its obligations under this Lease or to supply or is delayed in supplying any service expressly or implicitly to be supplied or is unable to make, or is delayed in making any repairs. additions, alterations, or decorations or is unable to supply or is delayed in supplying any equipment or fixtures if Landlord is prevented or delayed from doing so by reasons of an act of God, strike, labor troubles, pandemic, or any outside cause whatsoever, including but not limited to riots and civil disturbances or governmental preemption in connection with a national emergency or by reason of any rule, order, or regulation of any department or subdivision thereof of any governmental agency or by reason of the conditions of supply and demand which have been or are affected by war or other emergency.

ARTICLE 16 - SALE BY LANDLORD

16.1 In the event of a sale or conveyance by Landlord of the Building containing the Leased Premises, the same shall operate to release Landlord from any future liability upon any of the covenants or conditions, expressed or implied, herein contained in favor of Tenant, and in such event, Tenant agrees to look solely to the responsibility of the successor in interest of Landlord in and to this Lease. This Lease shall not be affected by any such sale, and Tenant agrees to attorn to the purchaser or assignee.

ARTICLE 17 – BANKRUPTCY

17.1 If Tenant shall be adjudicated bankrupt or as insolvent or take the benefit of any federal reorganization or take the benefit of any insolvent law, or if a Trustee in bankruptcy or a receiver be appointed or elected for Tenant, under federal or state law, this Lease at the option of the Landlord shall terminate seven (7) days after Landlord gives Tenant written notice, UNLESS, the Tenant's Trustee immediately cures any default of Tenant hereunder and provides (in compliance with federal and state laws) adequate assurance of future performance of Tenant's obligations hereunder.

ARTICLE 18 - WAIVER OF COVENANTS

18.1 Failure of Landlord to insist, in any one or more instances, upon strict performance of any term, covenant, or condition of this Lease, or to exercise any option herein contained, shall not be construed as a waiver of such breach, and Landlord shall not be deemed to have waived any provision of this Lease unless expressed in writing and signed by Landlord.

ARTICLE 19 - ATTORNEY'S FEES

19.1 In case suit shall be brought for an unlawful detainer of the Leased Premises, for the recovery of any rent due under the provisions of the Lease, or because of the breach of any other covenant herein contained on the part of the Tenant to be kept and performed, Tenant shall pay to Landlord all reasonable attorney's fees, in the event Landlord prevails in said litigation.

ARTICLE 20 - BILL STATEMENT AND NOTICE

20.1 A bill, statement, notice or communication which Landlord desires or is required to give Tenant, including any notice of termination, shall be deemed sufficiently given or rendered in writing delivered to Tenant personally, or sent by registered or certified mail, addressed to Tenant at the Leased Premises, and at the time of rendering or giving shall be deemed to be the time when the same is delivered to Tenant, or mailed to the Leased Premises as herein provided. Any notice by Tenant to Landlord must be served by registered or certified mail addressed to Landlord at the address where the last previous rental hereunder was payable, or upon notice given to Tenant, at such other place as Landlord designates.

ARTICLE 21 – PARKING

21.1 Tenant shall have full access to and free use of the surface parking lot/parking garage surrounding the Building. Landlord shall be responsible for minor maintenance of the surface parking lot, including repair of potholes and striping. Tenant shall be responsible for

major maintenance and capital improvements.

ARTICLE 22 - MISCELLANEOUS PROVISIONS

22.1 Tenant and any agency, activity or organization which may from time to time sublet space in the Building shall provide furniture and furnishings for thoe areas of the Building which will be occupied by such agencies, activities or organizations.

22.2 Tenant shall make appropriate space available for institutional functions, i.e. receptions, press conferences, etc, at no charge as often as reasonably requested.

22.3 Tenant shall make the parking area adjacent to the Alumni Center available for Citadel functions when available.

22.4 Tenant shall make up to 8,000 square feet of office space available for the institutional officer of Alumni Affairs, Publications, and others, as appropriate.

22.5 The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. Words used in masculine gender include the feminine and neuter. If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several.

22.6 The captions in this Lease are of convenience only, are not a part of this Lease, and shall have no effect upon the construction or interpretation of any part hereof.

22.7 Time is of the essence of this Lease and each and all of its provisions.

22.8 Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for Lease and it is not effective as a Lease or otherwise until the Effective Date.

22.9 Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provisions hereof and such other provision shall remain in full force and effect.

22.10 This Lease contains the entire agreement between the parties and any agreement hereafter made shall be ineffective to change, modify, or discharge it in whole or in part, unless such agreement is in writing and signed by all parties. For purposes of clarity and the avoidance of doubt, this Lease supersedes that certain Holliday Alumni Center Lease by and between Tenant and Landlord, dated July 17, 1997 (the "***Prior Lease***"), to the extent the Prior Lease did not expire or terminate. This Lease does not supersede that certain Amended and Restated Memorandum of Understanding and Affiliation Agreement by and between The Citadel, the Military College of South Carolina, and The Citadel Alumni Association, dated July 1, 2026,

which shall remain in full force and effect.

22.11 This Lease shall be governed by and construed pursuant to the laws of the State of South Carolina.

22.12 The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind heirs, successors, executors, administrators and assignees of the parties hereto.

22.13 The parties acknowledge and agree that notwithstanding any law or presumption to the contrary, an electronic or telefaxed signature (hereinafter, an "Electronic Signature") of any party or approver on this Lease shall be deemed valid and binding and admissible by any party against any other party as if same were an original ink signature. The parties further acknowledge and agree that they (a) intend to be bound by any Electronic Signatures affixed to this Lease, (b) are aware that the other party or parties will rely on any such Electronic Signatures, (c) such an electronically signed Lease may not be denied legal effect or enforceability solely because it is in electronic form or signed with an Electronic Signature, and (d) the foregoing provisions regarding Electronic Signature apply solely to the execution of this Lease, and shall in no event be deemed to amend any other written obligations of any party (including, but not limited to, any notice provisions) set forth in this Lease.

[Remainder of page intentionally left blank; signature page to follow.]

IN WITNESS WHEREOF, The Parties have executed this Lease this 30th of June of 2026.

IN THE PRESENCE OF:

LANDLORD:

Printed Name: Gen. Glenn Walters, USMC (Ret.)

Title: President

Date: _____

IN THE PRESENCE OF:

TENANT:

Printed Name: M. Todd Davis

Title: President

Date: _____

This Lease Agreement is approved in accordance with Regulation 19-447.1000 by the South Carolina Department of Administration, Real Property Services, this _____, day of _____, _____. This Lease was approved by the Joint Bond Review Committee at its _____, 20__ meeting and by the State Fiscal Accountability Authority at its _____, 20__ meeting.

_____

By: _____

Its: _____

AMENDED & RESTATED
MEMORANDUM OF UNDERSTANDING
AND AFFILIATION AGREEMENT
BY AND BETWEEN
THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA
AND
THE CITADEL ALUMNI ASSOCIATION

This **AMENDED & RESTATED MEMORANDUM OF UNDERSTANDING AND AFFILIATION AGREEMENT** (the "***Agreement***") is to be effective as of July 1, 2026 (the "***Effective Date***") and is by and between **THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA** ("***The Citadel***") and **THE CITADEL ALUMNI ASSOCIATION** (the "***CAA***"). The Citadel and the CAA are together referred to herein as the "***Parties***".

RECITALS

Whereas, The Citadel is a state assisted institution of higher education located in Charleston, South Carolina, and

Whereas, the CAA is a South Carolina non-profit corporation that is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code ("***IRC***"), is independent and autonomous from The Citadel, and accepts no public funding; and

Whereas, the purpose of the CAA is specified in its Bylaws to operate a supporting organization exclusively for the benefit of The Citadel; and

Whereas, the CAA shall provide financial assistance and support within the context of its purpose and mission as specified in its Bylaws and this Agreement; and

Whereas, The Citadel is required by the Southern Association of Colleges and Schools Commission on Colleges ("***SACSCOC***") and the National Collegiate Athletic Association ("***NCAA***") to contract with its supporting organizations to clearly establish its support relationships; and

Whereas, The Citadel and the CAA have previously entered into that certain memorandum of understanding dated October 24, 2019 (the "***Prior MOU***"), which included certain operational concepts related to that certain Holliday Alumni Center Lease by and between the Parties as of July 17, 1997 (the "***Prior Lease***"); and

Whereas, the Parties now desire to amend and restate the Prior MOU, simultaneously with the execution of a new lease agreement (the "***Lease***"), which to the extent the Prior Lease did not expire or terminate, shall supersede and replace the Prior Lease.

Now Therefore, know all men and women that in consideration of the mutual commitments and representations herein contained, and other good and valuable consideration, the receipt of which is acknowledged, the Parties hereby agree as follows:

ARTICLE I
GOVERNANCE AND RELATIONSHIP

1.1. The Citadel is governed by a Board of Visitors that is responsible for overseeing the mission, leadership, and operations of The Citadel. The Board of Visitors, in close coordination with the college administration, sets the priorities and strategic objectives for The Citadel to develop and educate principled leaders in all walks of life and is responsible for the performance and oversight of all aspects of The Citadel's operations.

1.2. The CAA is a private and separately incorporated 501(c)(3) non-profit association created to operate as a supporting organization exclusively for the benefit of The Citadel. The CAA accomplishes this mission by pursuing the specific objectives outlined in its Bylaws and this Agreement. Nothing in this Agreement shall be construed to nullify, supersede, or modify the Articles of Incorporation or the Bylaws of the CAA.

ARTICLE II
RESPONSIBILITIES OF THE CAA

2.1. Pursuant to the terms of this Agreement, The Citadel acknowledges the CAA as a separate organization with the specific objectives:

a. To provide a private, self-sustaining, non-profit organization to support, advance, and promote the ideals and purposes of The Citadel, The Military College of South Carolina, its students, and alumni;

b. To foster, perpetuate and preserve the history, memories, values and traditions of The Citadel, The Military College of South Carolina, its students and alumni; and

c. To sell, award and determine the right to wear the ring of The Citadel, which ring and the trademark thereto are owned by the CAA.

Nothing in this Agreement shall be construed to give the CAA control of or authority over other affiliates supporting The Citadel and its constituent units. The CAA will work cooperatively with such organizations to promote the interests of The Citadel and its relationship with its alumni.

2.2. In connection with and in consideration of the foregoing acknowledgement, the CAA agrees as follows:

a. It shall be responsive to and work diligently and in good faith to serve The Citadel and The Citadel's alumni, to perpetuate among alumni a sentiment of affection for The Citadel, and to maintain among former cadets and students a spirit of fellowship and genuine regard for one another.

b. It shall actively support and promote, and encourage alumni to support and promote, the welfare and future development of The Citadel in accordance with the mission, programs, goals, and strategic plans of The Citadel.

c. It will work cooperatively with affiliated organizations to develop and support programs and services, including, but not limited to: operation of homecoming and reunion programs; maintenance of a distinguished alumni list; support for regional clubs where appropriate; participation in scholarship programs, award recognition programs, and special events; participation on campus committees as appropriate, and participation in advocacy endeavors.

d. The CAA shall market, sell, and contract with third-parties to sell the cadet ring and the non-cadet ring:

(1) The parties expressly agree that, in selling the cadet and the non-cadet ring, the CAA acts on behalf of or for the benefit of The Citadel, shall comply with the Family Educational Rights and Privacy Act, 20 USC 1232g, and shall follow all direction from The Citadel in connection with compliance therewith.

(2) Only the CAA shall sell the cadet ring and the non-cadet ring, and it shall only sell such rings to cadets or students on schedule to become graduates of The Citadel, based upon information furnished by The Citadel Registrar.

(3) The CAA agrees to include, as a material element of the contract to sell any such ring, CAA's express right to reclaim such ring if a purchaser is expelled from The Citadel. The CAA and The Citadel agree to cooperate to effect such reclamation.

(4) The CAA shall maintain the trademarks to the cadet ring and the non-cadet ring, and it shall collect the revenue from the sale of these rings to generate funds for the CAA and to further the purposes of the CAA in accordance with its then-current Bylaws and this Agreement.

(5) The CAA shall continue to solicit from The Citadel through its Registrar, and The Citadel shall provide, sufficient information to determine academic eligibility to purchase the cadet ring or the non-cadet ring. The CAA agrees to sell the ring to any individual identified by The Citadel as eligible to purchase a ring based on such

individual's achievement of academic criteria as determined by The Citadel from time to time.

2.3 Operation of the Holliday Alumni Center and Hollings Hall

a. Pursuant to the Lease, CAA shall operate and manage the Holliday Alumni Center (the "***HAC***") and Hollings Hall, and uphold its obligations as (i) the tenant thereof under the Lease, (ii) the sub-landlord under any sublease agreement with any subtenant, and (iii) the licensor under any license agreement with any licensee, all with the purpose of maximizing the value of the HAC and Hollings Hall for both The Citadel and the CAA. Beginning no later than the last year of the Term or Extension Term (as defined in the Lease), as the case may be, The Citadel and the CAA agree in good faith to negotiate the terms of a new lease, including the terms of this Section 2.3, for the continued tenancy of the CAA and submit such lease to the Department of Administration and any other applicable body of the State for approval.

b. The Parties responsibilities and lines of authority between The Citadel and CAA in connection with operations at the HAC and Hollings Hall are as follows:

(1) The CAA will maintain a calendar of events for the use of the HAC. This schedule will be provided to The Citadel's Senior Vice President for Operations and Administration, or designee, on a quarterly basis. Priorities for use, in coordination with the CAA Executive Director will be as follows:

a. CAA activities

b. Citadel activities

c. Third-party activities

(2) The CAA agrees to indemnify and hold harmless The Citadel from any and all liability (except liability imposed on The Citadel for its own errors or omissions) for bodily injury, property damage, or other damage resulting from the use of the HAC or Hollings Hall by the CAA and/or any sublessee or assignee. CAA will require sublessees and/or assignees to enter into "hold harmless" and indemnity agreements in favor of The Citadel and CAA for injury or damage arising out of such sublessees and/or assignees use of the HAC or Hollings Hall. CAA shall maintain general liability insurance with coverage of no less than one million ($1,000,000) dollars per occurrence and five million ($5,000,000) dollars aggregate, and shall name The Citadel as an additional insured.

CAA shall require any future sublessees and / or assignees to maintain general liability insurance in connection with their use of the HAC or Hollings Hall. Such insurance shall provide coverage of no less than one million ($1,000,000) dollars per occurrence and five million ($5,000,000) dollars aggregate, and shall name The Citadel and CAA as additional insureds.

c. Revenue. Annually, based on the most recent year end audit, the CAA will share Net Operating Income arising from Holliday Alumni Center and Hollings Hall (the "***Property***").

a. Net Operating Income is the net income, on a cash basis, derived from the operation of the Property and shall be defined as the sum of:

- Gross rents collected from the long or short-term rental of Holiday Alumni Center and Hollings Hall
- Plus Other income related to operation of the Property such as parking, vending, signage/billboards
- Less Operating Expenses of the Property and associated parking areas. Operating Expenses include, but are not limited to, insurance, janitorial, utilities, management fees, preventative maintenance, building supplies, and landscaping. Depreciation and Amortization are "non-cash" expenses and accordingly not included in Operating Expenses.
- Less Equipment Expenses, which include, but are not limited to, the cost, replacement or maintenance of any equipment, such as kitchen equipment, electronic equipment, ice machines, tables and chairs.
- Less Professional Fees, which include, but are not limited to, attorney fees or leasing commission related to management of Gross Rents or operation of the Property
- Less a reasonable allocation, but in no event more than forty-thousand ($40,000) dollars, to the CAA for the management of the Property
- Less any payment of principal, interest, or fees on any debt associated with the Property
- Less any maintenance, renovation, replacement, improvement, or repair of the Property, surrounding grounds and parking areas

b. Net Operating Income shall be distributed as follows:

- 40% to The Citadel, but in no event less than $300,000
- 60% to the CAA

c. In addition to the distribution of Net Operating Income as provided above, the CAA shall make annual distributions in the amount of $250,000.00 to The Citadel for purposes of and in connection with the *Service to Nation / Country* and $160,000.00 to The Citadel for purposes of and in connection with the *Legacy Scholarships* (together, the "***Scholarship Payments***").

d. Distribution to The Citadel shall be made the later of June 30th each year or 30 days from the acceptance of the CAA annual audit.

2.4 Reporting. On a periodic basis, but no less than annually, the CAA shall report to The Citadel on all alumni relations performed by the CAA for the benefit of The Citadel, its programs and mission, and those other activities and support as may be provided by the CAA to or on behalf of The Citadel, its students, alumni, faculty, and staff. Such report shall include, but not be limited to, the following information:

a. The CAA's most recent IRS Form 990, "Return of Organization Exempt from Taxation," which shall also be publicly available;

b. A report specifying how the CAA's resources were used, and the benefits (both financial and intangible) to The Citadel therefrom;

c. A budget for the CAA's operations and a description of proposed activities for the coming year, which budget and description shall be subject to review by the President of The Citadel or such person to whom the President may delegate such right;

d. The CAA's current financial policies, procedures and controls.

2.5. Audit. The CAA shall allow its books and operations to be audited internally by The Citadel on an annual basis. In addition, the CAA shall provide The Citadel with a copy of its most recent annual audit performed by a certified public accountant appointed in accordance with the Bylaws of the CAA, along with the then-current roster of the directors and officers of CAA. The CAA shall submit such audit and roster to The Citadel no later than 15 May of each year.

2.6. Legal Compliance. In connection with its performance under this Agreement, the CAA shall maintain and observe all State and federal requirements of a nonprofit corporation recognized as tax exempt by the Internal Revenue Service pursuant to 26 USCA §501(c)(3).

2.7. Conflict of Interest Policy. The CAA shall maintain and abide by a policy to ensure that any conflict of interest involving or related to any director, officer, employee, agent, or representative of CAA is addressed in a manner that complies with all applicable state and federal laws, including but not limited to 26 USCA §501(c)(3) and Sections 33-31-831 and 33-31-832 of the South Carolina Code of Laws.

2.8. Additional Direct and Indirect Support. During the term of this Agreement and each renewal period, the CAA shall provide support to The Citadel as specified in Article I, Section

2 of the Bylaws of CAA, subject to the fiduciary responsibilities of the CAA's Board of Directors, and its delegate(s), including without limitation:

a. the CAA, its Board of Directors' and officers' compliance with 26 USCA §501(c)(3), the prohibition against private inurement contained therein, the excess benefit transaction rules of I.R.C. §4958, the CAA conflict of interest policy and any other applicable State and federal law, accompanying regulations or successor statutes or provisions; and

b. the provision of such support or aid is within the CAA's cash flow projections and budgetary constraints with regard to commitments and obligations of the CAA and as approved by the CAA Board of Directors.

2.9 Associate Vice President of Alumni Affairs, Executive Director of CAA and Employees.

a. The Citadel shall appoint an Associate Vice President of Alumni Affairs who will be responsible for The Citadel Office of Alumni Affairs, including all employees thereof. The Board of Directors of the CAA shall appoint an Executive Director of the CAA who will be responsible for the activities of the CAA, including all employees thereof. The Citadel and the CAA may elect to have the same individual concurrently serve as both The Citadel Associate Vice President of Alumni Affairs and Executive Director of the CAA. In the event that The Citadel and the CAA do not agree to have the same individual serve in both roles concurrently, such an outcome is not a breach of this Agreement by either party.

b. If The Citadel and the CAA agree to have the same individual concurrently serve as both Associate Vice President of The Citadel Office of Alumni Affairs and Executive Director of the CAA, the following terms will apply to this engagement:

(1) The individual who holds the combined position shall undergo screening and verification by The Citadel's Department of Human Resources and shall report directly to The Citadel Vice President for Institutional Advancement for all matters pertaining to the duties of The Citadel Office of Alumni Affairs, and to the Board of Directors of the CAA for all matters pertaining to the duties of the Executive Director, as further delineated in the job description for the position, as approved by the CAA's Board of Directors, as from time to time amended.

(2) The individual who holds the combined position shall employ as many individuals as are necessary to perform the responsibilities of the Office of Alumni Affairs as shall be determined by The Citadel's Department of Human Resources. The individual shall select, compensate, retain, supervise and discharge those individuals in accordance with the rules and regulations of the State of South Carolina. The individual shall likewise employ as many individuals

as are necessary to perform the responsibilities of the CAA as shall be determined by the CAA Board of Directors. The individual shall select, compensate, retain, supervise and discharge those individuals in accordance with such policies and procedures as shall be determined by the CAA Board of Directors.

(3) The compensation, including salary and benefits, to be provided to the individual serving concurrently in both positions shall be fixed by the Vice President for Institutional Advancement of The Citadel in coordination with The Citadel's Department of Human Resources. Compensation for the individual serving in both positions shall be funded by The Citadel and the CAA on a *pro rata* basis, in strict accordance with the ratio of the number of employees employed by The Citadel Office of Alumni Affairs (or its successor office at The Citadel) to provide services to The Citadel, as compared to the number of employees employed by the CAA to provide services to the CAA. Such calculation shall account for any individual that may be engaged to provide services directly to both The Citadel and the CAA, with the objective to accurately account for each individual's time for services rendered to the applicable organization.

(4) If a search process is required, any individual who will serve as both Associate Vice President of Alumni Affairs and Executive Director of the CAA will be selected as follows:

a) The president of the CAA will advise the President of The Citadel of the CAA's intent to work collaboratively with The Citadel to identify a candidate that may serve both roles for each organization concurrently, and the CAA president shall initiate the establishment of a search committee.

b) The search committee shall be comprised of seven (7) members, to be composed of three (3) members appointed by the Vice President for Institutional Advancement (VPIA), in consultation with the President of The Citadel, and three (3) members appointed by the president of CAA. In addition, the president of the CAA and the VPIA will select a member of the CAA as the 7th member, who will serve as the Chair of the Search Committee.

c) The Committee, in coordination with The Citadel Human Resources Office, shall advertise for, recruit, and interview candidates in accordance with the rules and regulations applicable to employment of employees of the State of South Carolina.

d) Upon completion of the search, the Committee shall identify a minimum of three (3) candidates as finalists. At the discretion of the VPIA and the president of the CAA, each may provide for interviews by representatives of their respective organization, subject to strict agreement with regard to the confidentiality of such interviews and candidate identities.

e) In consultation with the President of The Citadel, the VPIA and the President of CAA shall select one individual to recommend to the President of The Citadel for final approval as the Associate Vice President of Alumni Affairs and Executive Director of the CAA.

(5) In the event that either The Citadel or the CAA desires to discontinue the combined position and separate the roles of Associate Vice President of Alumni Affairs and Executive Director of the CAA, either may do so by giving the other ninety (90) days written notice as provided for hereinafter. In such event, the Associate Vice President of Alumni Affairs shall retain responsibility for the selection, employment, retention, supervision, and evaluation of employees of The Citadel, and the Executive Director of the CAA shall retain responsibility for the selection, employment, retention, supervision, and evaluation of employees of its employees.

(6) Notwithstanding anything to the contrary, the decision to select the same individual to serve concurrently the Associate Vice President of Alumni Affairs of The Citadel and the Executive Director of the CAA is entirely at the discretion of each party hereto. For any or no reason, either party may decline to pursue selection of one individual to serve in such roles concurrently for both organizations, withdraw from the foregoing process described in this subparagraph (b), or determine that such roles should be filled by different individuals; and such discretionary decision by either organization shall not be a breach of this Agreement.

c. In the event that The Citadel and the CAA elect not to have the same individual serve as both Associate Vice President of The Citadel Office of Alumni Affairs and Executive Director of the CAA, The Associate Vice President of Alumni Affairs shall be solely responsible for the selection, employment, direction, and evaluation of the Office of Alumni Affairs support staff, and the Executive Director of the CAA shall be solely responsible for the selection, employment, direction, and evaluation of the CAA's support staff.

2.10 Offices, Systems, and Supplies. The CAA, at its own expense, will provide computer and telephone systems, utilities, office supplies, and other such services that may be necessary or required to fulfill its responsibilities and obligations. The CAA may obtain any or all of these services from The Citadel, on such terms and under such conditions as are similar to those by which The Citadel provides such services to The Citadel Foundation. Notwithstanding the foregoing, the parties agree that, for so long as The Citadel and CAA are parties to the Lease, CAA agrees that it shall perform in accordance with the terms of the Lease and acknowledges that the CAA remains required to pay rent, as provided therein.

2.11 Communication and Coordination with The Citadel. The CAA shall provide The Citadel's President with notice of all meetings of the Board, concurrent with notice to the CAA directors, and The Citadel's President shall have opportunity and voice to address the CAA board at all meetings.

2.12 Communication and Coordination with Third Parties. The CAA shall not hold itself out as being part of or controlled by The Citadel. The CAA agrees to take reasonable measures to ensure that third parties understand that it is not part of The Citadel. With respect to advertising, publicity, correspondence, contracts, and other formal means of communication, the CAA will operate under its own name, seal, and logotype to avoid confusion on the part of third parties.

2.13 Names and Marks

a. The Citadel hereby recognizes CAA's exclusive right to use its corporate name. The CAA is hereby granted a general, non-exclusive, royalty-free, license to use the name "The Citadel" in all alumni activities conducted for the benefit of The Citadel. Excluding its corporate name, the CAA shall not use The Citadel's seal or other identifying marks, trademarks, logotypes and other proprietary marks in the promotion of the CAA's business and activities, or in fulfilling its obligations under this Agreement. The Citadel and CAA may amend this limitation from time to time in a separate license agreement from The Citadel granting such rights. The CAA may not delegate the authority to use The Citadel's name or other marks to any person or entity without The Citadel's prior written approval. Gifts obtained by the CAA through the use of The Citadel's name or other marks shall be expended for the use or benefit of The Citadel, subject to any restrictions imposed by the donor. The CAA shall be barred from using The Citadel's marks licensed to the CAA if The Citadel's relationship with the CAA, as set forth in this Agreement, is terminated.

b. The CAA may develop and utilize its own trademark, trade name or other proprietary marks or names. Nothing in this Agreement shall be construed to prevent CAA from using its corporate name regardless of the status of this Agreement. However, if The Citadel's relationship with the CAA as set forth in this Agreement is terminated, CAA shall in all communications prominently communicate the fact that it is not affiliated with or supported by The Citadel, and shall refrain from any communications stating or implying that gifts to the CAA are for the benefit of The Citadel.

2.14 Liability Insurance and Defense. The CAA understands and agrees that The Citadel, the State of South Carolina, and the employees and agents of either will not be liable for any of the CAA's contracts, torts, or other acts or omissions, or those of the CAA's directors, officers, employees, or staff, provided that the limitations of liability provided herein shall not apply to faculty and staff of The Citadel acting within the course and scope of their employment with The Citadel. The CAA understands and agrees that neither it nor its directors, officers, employees or staff are protected by The Citadel's or the State of South Carolina's insurance policies, self-insurance plans, or the Tort Claims Act, S.C. Code Ann, 15-78-10, et. seq., in connection with the CAA's activities, and The Citadel and the State of South Carolina will not provide any legal defense for the CAA or any such person in the event of any claim against any of them, provided that the limitations of liability provided herein shall not apply to faculty and staff of The Citadel acting within the scope of their employment with The Citadel.

ARTICLE III
RESPONSIBILITIES OF THE CITADEL

3.1. The Citadel shall provide to the CAA the following support, as requested by the CAA, to carry out the normal and regular functions and operations of CAA's business:

a. office space, parking spaces, access to the school's computer services and IT services, and access to telephone equipment and service, all as required for use to support the Office of Alumni Affairs and normal CAA business, on similar terms and under similar conditions as it provides access to The Citadel Foundation, but The Citadel shall retain all right and ownership in such network and servers;

b. upon request, The Citadel may provide technical advice and related support to the CAA in the areas of public affairs and marketing or other areas to the extent permitted by law and subject to the availability of staff and resources; and

c. the President of The Citadel and other staff, upon request and subject to their availability, will provide support to the CAA to enhance alumni relations, to include meeting with and speaking to alumni groups, class reunions, and alumni chapters.

3.2. Strategic Planning. The Citadel agrees to include the CAA Executive Director and/or Chair of the CAA Long Range Planning Committee in the development of The Citadel's strategic planning process, to consider strategic planning proposals submitted by the CAA and to include the CAA in the strategic planning process.

3.3. Communications. The Citadel agrees to provide to the CAA, or its designated representative(s), on a regular basis and as necessary for CAA to perform its responsibilities under Article II hereof, pertinent and timely information regarding the current and long range strategic planning, mission, and programmatic goals of The Citadel, in order that the CAA may anticipate funding and support needs, and integrate such needs in the current and long range planning of the CAA.

3.4. **Legal Compliance**. In connection with its performance under this Agreement, The Citadel shall maintain and observe all State and federal requirements of an agency of the State and educational institution of higher learning.

ARTICLE IV
COORDINATION

4.1. **Communication between Boards**. The Parties agree in good faith to arrange meetings between members of The Citadel administration, officers of the CAA, and designated members of the CAA Board of Directors to discuss the strategic planning efforts of The Citadel and CAA, to renew the affiliated relationship described herein, and to seek opportunities for the Parties to work together for the advancement, benefit, and promotion of The Citadel.

4.2. **Alumni Relations**. The CAA and The Citadel agree to coordinate their alumni relations, engagement, and similar activities through the Executive Director of the CAA and the Associate Vice President of Alumni Affairs of The Citadel in furtherance of and for the benefit of The Citadel, its Corps of Cadets, students and alumni.

4.3. **Accreditation**. The Parties agree to work together to comply with the principles of institutional control and other regulations of the Southern Association of Colleges and Schools Commission on Colleges applicable to the accreditation of The Citadel ("***SACSCOC Accreditation Standards***"). In the event that any provision of this Agreement violates the SACS Accreditation Standards, such provision of this Agreement shall be automatically reformed and construed so as to be valid, operative, and compliant with SACSCOC Accreditation Standards while preserving its original intent to the maximum extent possible.

ARTICLE V
TERM; TERMINATION; DISPUTE RESOLUTION

5.1 **Term**.

(a) Except as otherwise provided in subsection (b) below, the term of this Agreement shall commence upon the Effective Date and continue until June 30, 2051. This Agreement shall thereafter automatically renew for an additional period of ten (10) years unless otherwise terminated prior to the conclusion of the term or the then-current renewal period as provided below.

(b) This Agreement is being made upon the condition that it will be effective only upon the approval of the Lease by the South Carolina Department of Administration. This Agreement shall have no force or effect unless and until such approval is obtained. Notwithstanding anything to the contrary, in the event such approval is not obtained prior to June 30, 2027, this Agreement shall be null and void, and the Prior MOU, without modification by this Agreement, shall continue in full force and effect in accordance with its existing terms.

5.2 Dispute Resolution. In the event that a material disagreement arises between The Citadel and the CAA in connection with, related to, or arising out of this Agreement, such disagreement shall be addressed as a confidential negotiation between the Parties directly related to this Agreement; further, the Parties agree to negotiate a resolution in good faith, by and between the Board of Visitors of The Citadel and the CAA Board of Directors, or their designees. In the event that a material disagreement arises between The Citadel and the CAA that cannot be resolved by negotiations required herein, the Parties shall seek to resolve the disagreement pursuant to nonbinding mediation.

5.3 Termination. In the event a disagreement arises between The Citadel and The CAA which cannot be resolved by the negotiations or mediation required in Section 5.2 above, either party may terminate this agreement by giving the other one-hundred eighty (180) days written notice, sent by certified mail to the addresses set forth below. Thereafter, a reasonable time shall be allowed for winding down the business of this Agreement. Notwithstanding the foregoing, however, any and all financial commitments made by The CAA before the notice of termination shall remain in force and effect until the end of The Citadel's fiscal year in which such notice is given.

ARTICLE VI
MISCELLANEOUS

6.1. Governing Law. This Agreement is prepared and entered into with the intention that the law of the State of South Carolina, exclusive of South Carolina's rules governing choice of law, shall govern the construction of this Agreement.

6.2. Amendment, Changes, and Modifications. This Agreement may be amended, changed, modified, or altered only by an instrument in writing executed by both Parties. Parties agree to annual joint review of this Agreement.

6.3. Assignment. Neither Party shall assign or transfer its interest in this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party, and any such attempted assignment or transfer shall be void and of no force or effect.

6.4. Waiver. Failure by either Party to insist upon strict performance of any provision herein by the other Party shall not be deemed a waiver by such Party of its rights or remedies or a waiver by it of any subsequent default by such other Party, and no waiver shall be effective unless it is in writing and duly executed by the Party entitled to enforce the provision being waived.

6.5. Force majeure.

a. A "***Force Majeure Event***" is any event or cause beyond the reasonable control of the party claiming relief, including any action by or omission of a governmental agency or authority (including any government-imposed moratorium on activities related to this Agreement or any subsequent change in government rules, regulations, codes, ordinances, or laws), material shortages, third-party labor disputes, disease, epidemic, war,

riot, civil disturbance, act of public enemy or enemies, terrorist act, sabotage, any act of God, or any damage to the HAC or Hollings Hall as a result of hurricane, wind, flood, earthquake, lightning, fire, or other casualty.

b. Neither The Citadel nor CAA will be considered in default under this Agreement if such party's performance is delayed by virtue of a Force Majeure Event. Upon the occurrence of such event, the parties agree to confer in good faith and to agree upon an equitable, reasonable action to continue performance under this Agreement. The Citadel and CAA will use commercially reasonable efforts to minimize the delay caused by any Force Majeure Event and to resume affected performance when reasonably possible.

c. Notwithstanding the foregoing, in the event a Force Majeure Event occurs and materially impacts CAA's ability to fund the Scholarship Payments, the Parties agree to negotiate in good faith an equitable adjustment to the Scholarship Payments for the duration of such Force Majeure Event.

6.6. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable, such provision shall be automatically reformed and construed so as to be valid, legal, operative, and enforceable to the maximum extent permitted by applicable law while preserving its original intent. The invalidity of any part of this Agreement shall not render invalid the remainder of this Agreement.

6.7. Incorporation of Recitals. The recitals or "Whereas" clauses set forth above are incorporated into and made a part of this Agreement.

6.8. Relationship of the Parties. Nothing in this Agreement shall be deemed to create a partnership or joint venture between the Parties, and each of the Parties is an independent contractor to the other Party in all matters connected herewith.

6.9. Language Construction. The language in all parts of this Agreement shall be construed, in all cases, according to its fair meaning. The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

6.10. Headings for Convenience. The headings used herein are inserted for convenience only and do not describe, interpret, define or limit the scope, extent or intent of this Agreement.

6.11. Compliance with Laws. During the term and each renewal period of this Agreement, each Party shall promptly comply, at its own cost and expense, in every material respect with all laws, ordinances, rules, regulations and requirements of all federal, State, and local governmental authorities that are applicable to the activities or services pursuant to this Agreement.

6.12. **Entire Agreement**. This Agreement and any attached addenda contain the entire Agreement between The Citadel and the Citadel Alumni Association with regard to the subject matter of affiliation contained herein, and no other oral or written agreement shall be binding or obligating upon the Parties. This Agreement supersedes all prior agreements, contracts and understandings, whether written or otherwise, between the parties relating to the specific subject matter of this Agreement, including but not limited to the Prior MOU, but does not supersede the Lease.

6.13. **Notices**. All notices or communications to either Party by the other will be delivered personally or sent by U.S. registered or certified mail, postage prepaid, addressed to such party at the following respective addresses for each and will be deemed given on the date so delivered or so deposited in the mail, unless otherwise provided herein:

As to The Citadel

President, The Citadel,
The Military College of South Carolina
171 Moultrie Street
Charleston, SC 29409

With a copy to:
General Counsel
The Citadel
171 Moultrie Street
Charleston, SC 29409

As to The Citadel Alumni Association

Executive Director,
The Citadel Alumni Association
69 Hagood Avenue
Charleston, SC 29409

With a copy to:
President
The Citadel Alumni Association
69 Hagood Avenue
Charleston, SC 29409

Either Party may, by notice given to the other Party, designate any additional or different addresses to which subsequent notices or other communications shall be sent.

* * *

IN WITNESS WHEREOF, the Parties have caused this Memorandum of Understanding and Affiliation Agreement to be effective by their duly authorized officers as of the day and year first written above. This Memorandum of Understanding and Affiliation 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.

IN THE PRESENCE OF:

Witness

Witness

THE CITADEL

By: _____

Print Name: Gen. Glenn Walters, USMC (Ret.)
Title: President

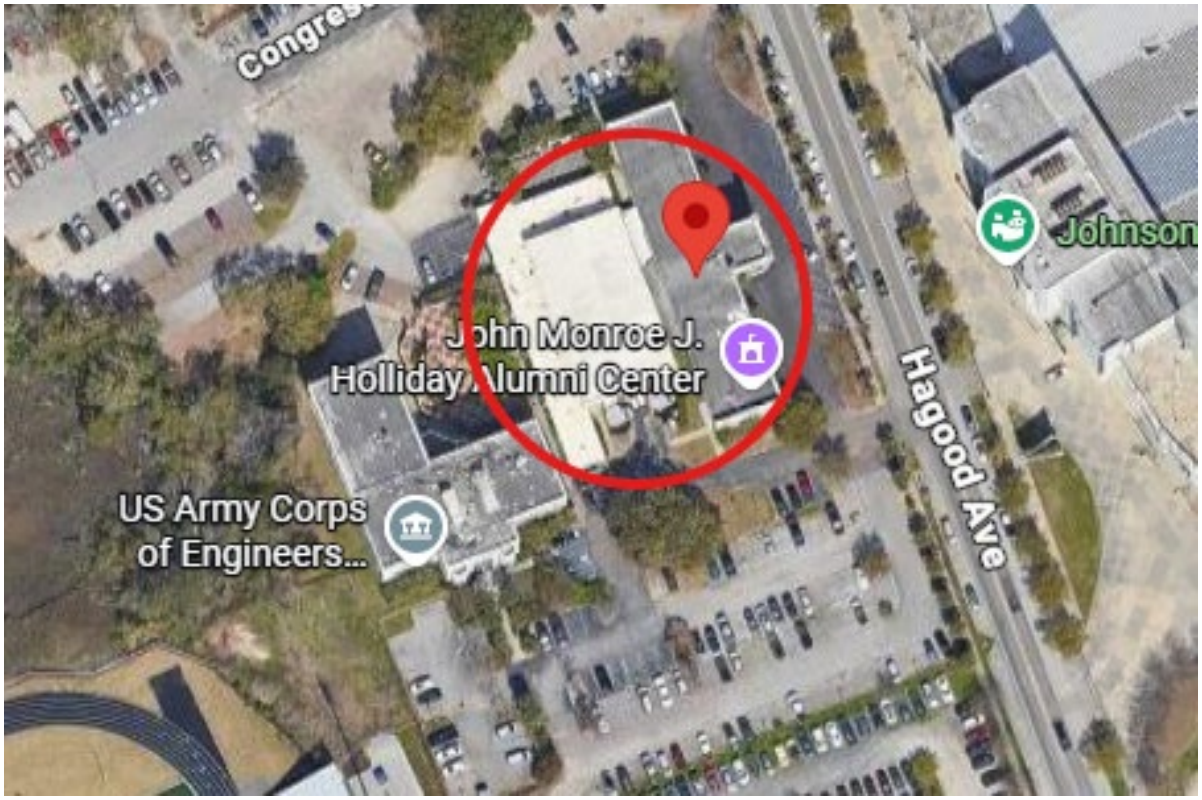
THE CITADEL ALUMNI ASSOCIATION

Witness

Witness

By: _____

Print Name: M. Todd Davis
Title: President


Congres
John Monroe J.
Holliday Alumni Center
US Army Corps
of Engineers...
Hagood Ave
Johnson


Share

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Department of Health and Human Services Lease of 1323 Celebration Blvd, Florence, SC

The South Carolina Department of Health and Human Services (Agency) requests approval to lease twenty thousand and twenty-eight (20,028) square feet of office space at 1323 Celebration Boulevard, Building A in Florence from SWL Investments, LLC. The Agency has been located at 2701 Alex Lee Boulevard, Florence since 2020. The current lease is at a rate of $23.99 per square foot, and it expires on April 30, 2027. This new lease will allow them to continue to provide support for the Florence region processing office.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for various lease terms. There were five (5) proposals received. The selected location was chosen by the Agency as the next to lowest option offering improved functionality, cohesive space layout for team collaboration and a more centralized location allowing the Agency to better serve the community. The lowest option was rejected due to space being located in multiple buildings.

The requested lease term is ten (10) years and is expected to commence on or about April 1, 2027.

The rent for the first year of the term will be $425,795.28 or $21.26 per square foot (rounded) and includes operating costs, taxes and insurance. Beginning year two, the rental rate shall escalate 3% annually over the term. The following chart sets forth the rent over the term.

TERM	**PERIOD: FROM - TO**	**MONTHLY RENT**	**ANNUAL RENT**	**RENT PER SF**
YEAR 1	4/1/2027-3/30/2028	$35,482.94	$425,795.28	$21.26
YEAR 2	4/1/2028-3/30/2029	$36,547.43	$438,569.14	$21.90
YEAR 3	4/1/2029-3/30/2030	$37,643.85	$451,726.21	$22.55
YEAR 4	4/1/2030-3/30/2031	$38,773.17	$465,278.00	$23.23

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Department of Health and Human Services Lease of 1323 Celebration Blvd, Florence, SC

YEAR 5	4/1/2031-3/30/2032	$39,936.36	$479,236.33	$23.93
YEAR 6	4/1/2032-3/30/2033	$41,134.45	$493,613.43	$24.65
YEAR 7	4/1/2033-3/30/2034	$42,368.49	$508,421.84	$25.39
YEAR 8	4/1/2034-3/30/2035	$43,639.54	$523,674.50	$26.15
YEAR 9	4/1/2035-3/30/2036	$44,948.73	$539,384.74	$26.93
YEAR 10	4/1/2036-3/30/2037	$46,297.19	$555,566.29	$27.74

The total rent to be paid over the lease term is $4,881,265.75.

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

	Location	***Rent per SF**
Proposal	2701 Alex Lee Boulevard, Florence	$22.00
Proposal	186 Dunbarton Drive, Florence	$25.76
Proposal	2120 Jody Road, Florence	$14.37

*Subject to annual rent increase

The lease has adequate parking on the premises. The lease also meets the State space standards with a density of approximately 151 SF per person.

The Agency has adequate funds for the lease according to a Budget Approval Form approved by the Executive Budget Office on July 1, 2026. Lease payments will be funded through State and Federal funding.

No option to purchase the property is included in the lease.

The lease was approved by the Joint Bond Review Committee at their meeting on August 18, 2026.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Department of Health and Human Services Lease of 1323 Celebration Blvd, Florence, SC

AUTHORITY ACTION REQUESTED:

Approve the proposed ten-year lease for the South Carolina Department Health and Human Services of twenty thousand and twenty-eight (22,028) square feet of office space at 1323 Celebration Boulevard in Florence from SWL Investments, LLC, as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

Agenda item worksheet and attachment

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

Meeting Scheduled for: 8/19/2026 **Regular Agenda**

1. **Submitted by:**
   (a) Agency: Department of Administration
   (b) Authorized Official Signature: Ashlie Lancaster, FMPS Director

2. **Subject:** South Carolina Department of Health and Human Services Lease of 1323 Celebration Boulevard, Florence, SC

3. **Summary and Background Information:**

The South Carolina Department of Health and Human Services (Agency) requests approval to lease twenty thousand and twenty-eight (20,028) square feet of office space at 1323 Celebration Boulevard, Building A in Florence from SWL Investments, LLC. The Agency has been located at 2701 Alex Lee Boulevard, Florence since 2020. The current lease is at a rate of $23.99 per square foot, and it expires on April 30, 2027. This new lease will allow them to continue to provide support for the Florence region processing office.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for various lease terms. There were five (5) proposals received. The selected location was chosen by the Agency as the next to lowest option offering improved functionality, cohesive space layout for team collaboration and a more centralized location allowing the Agency to better serve the community. The lowest option was rejected due to space being located in multiple buildings.

The requested lease term is ten (10) years and is expected to commence on or about April 1, 2027.

The rent for the first year of the term will be $425,795.28 or $21.26 per square foot (rounded) and includes operating costs, taxes and insurance. Beginning year two, the rental rate shall escalate 3% annually over the term. The following chart sets forth the rent over the term.

TERM	PERIOD: FROM - TO	MONTHLY RENT	ANNUAL RENT	RENT PER SF
YEAR 1	4/1/2027-3/30/2028	$35,482.94	$425,795.28	$21.26
YEAR 2	4/1/2028-3/30/2029	$36,547.43	$438,569.14	$21.90
YEAR 3	4/1/2029-3/30/2030	$37,643.85	$451,726.21	$22.55
YEAR 4	4/1/2030-3/30/2031	$38,773.17	$465,278.00	$23.23

YEAR 5	4/1/2031-3/30/2032	$39,936.36	$479,236.33	$23.93
YEAR 6	4/1/2032-3/30/2033	$41,134.45	$493,613.43	$24.65
YEAR 7	4/1/2033-3/30/2034	$42,368.49	$508,421.84	$25.39
YEAR 8	4/1/2034-3/30/2035	$43,639.54	$523,674.50	$26.15
YEAR 9	4/1/2035-3/30/2036	$44,948.73	$539,384.74	$26.93
YEAR 10	4/1/2036-3/30/2037	$46,297.19	$555,566.29	$27.74

The total rent to be paid over the lease term is $4,881,265.75.

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

	Location	***Rent per SF**
Proposal	2701 Alex Lee Boulevard, Florence	$22.00
Proposal	186 Dunbarton Drive, Florence	$25.76
Proposal	2120 Jody Road, Florence	$14.37

*Subject to annual rent increase

The lease has adequate parking on the premises. The lease also meets the State space standards with a density of approximately 151 SF per person.

The Agency has adequate funds for the lease according to a Budget Approval Form approved by the Executive Budget Office on July 1, 2026. Lease payments will be funded through State and Federal funding.

No option to purchase the property is included in the lease.

The lease was approved by the Joint Bond Review Committee at their meeting on August 18, 2026.

---

4. What is the Authority asked to do? Approve the proposed ten-year lease for the South Carolina Department Health and Human Services of twenty thousand and twenty-eight (22,028) square feet of office space at 1323 Celebration Boulevard in Florence from SWL Investments, LLC.

---

5. What is recommendation of the submitting agency involved? Approve the ten-year lease for the South Carolina Department of Health and Human Services of twenty thousand and twenty-eight (22,028) square feet of office space at 1323 Celebration Boulevard in Florence from SWL Investments, LLC.

6. Private Participant Disclosure – Check only 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:

Agency Request Letter
Private Participant Disclosure
Map and Street View of Premises

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop. Supporting documentation should include all related agreements or approval requests (e.g., leases, contracts, permanent improvements, indebtedness, agenda items), either current or anticipated; or provide affirmation from the submitting agency that there are no related transactions.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
Healthy Connections
MEDICAID

Henry McMaster GOVERNOR
Eunice Medina DIRECTOR
P.O. Box 8206 > Columbia, SC 29202
www.scdhhs.gov

June 19, 2026

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

Dear Ms. Lancaster,

The South Carolina Department of Health and Human Services (SCDHHS) respectfully submits this justification for the proposed relocation of its Florence Processing Center offices from 2701 Alex Lee Blvd. to 1323 Celebration Blvd., Florence, South Carolina.

Following the solicitation process conducted by the Department of Administration on May 27, 2025, a total of five (5) proposals were received and thoroughly evaluated. After careful review, SCDHHS determined that the facility at 1323 Celebration Blvd. best meets the operational needs of the agency. This location offers a cohesive office layout, common use amenities for meeting space, and a more centralized location that will allow SCDHHS to better serve the surrounding communities.

In addition to improved functionality, this proposed site is the second lowest offer and is more cost effective than our current location. The lowest proposal offer was not favorable because the space was split into multiple buildings which is not conducive for team collaboration. The space at 1323 Celebration Blvd. will provide long-term financial benefits to both the agency and the State and offers adequate parking for SCDHHS staff, visitors, and service delivery operations.

The 1323 Celebration Blvd. campus will additionally house other state agencies, including the South Carolina Department of Public Health and the South Carolina Department of Social Services. Co-location on the same campus with our sister agencies, will create a comprehensive service hub, enhancing accessibility, strengthening interagency collaboration, and improving overall experience for the citizens served by each of these agencies.

For these reasons, SCDHHS requests approval to proceed with the relocation of its Florence Processing Center to the space at 1323 Celebration Blvd. We believe this move will significantly enhance our ability to serve the public while ensuring responsible stewardship of state resources. The total term cost for this location will be $4,881,265.70 over a ten (10) year lease period.

Thank you for your consideration.

Sincerely,

Eunice Medina
Director

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Patriots Point Development Authority Assignment of Ground Lease Outs for the Charleston Harbor Resort and Marina, Charleston to 20 Patriots Point Hotel, LLC for the hotels, retail and parking (Hotel Leases) and to Charleston Harbor SMI, LLC for the Marina (Marina Lease)

Patriots Point Development Authority (Agency) requests approval for the assignment and assumption of three leases comprising the Charleston Harbor Resort and Marina (CHRM). CHRM includes two hotels, parking, swimming pools, restaurant, spa, amenities, recreational facilities and a marina with approximately 287 slips, bath and shower facilities, and fuel facility.

The Agency is the landlord of five parcels comprising CHRM. Parcels A-D are utilized for the resort (hotel, retail, and parking) and Parcel B-1 is for the marina. There is one lease for Parcel A and one lease for Parcels B-D (Hotel Leases) and one lease for Parcel B-1 (Marina Lease). The current tenant for all three leases is Charleston Harbor Holding Company, LLC (CHHC). The leases are structured for the Agency to receive an annual base rent and an annual percentage rate based on gross revenue.

Parcel	Acreage
Parcel A	9.79
Parcel B	8.06
Parcel C	1.37
Parcel D	4.22
Parcel B-1	12.15

CHHC has entered into a purchase and sale agreement for the leasehold interest in the Hotel Leases (Parcels A and B-D) with 20 Patriots Point Hotel, LLC, a Delaware limited liability company.

CHHC originally entered into a purchase and sale agreement for the leasehold interest in the Marina Lease (Parcel B-1) with Argo Marina Investors, LLC, but that agreement was subsequently assigned to Charleston Harbor SMI, LLC, a Delaware limited liability company (and subsidiary of Suntex Marina Investors, LLC one of the largest marina companies in the U.S.), who will own and operate the marina through two affiliates: Charleston Harbor SMI, LLC, Charleston Harbor Propco Series, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company and Charleston Harbor SMI LLC, Charleston Harbor Opco Series, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Patriots Point Development Authority Assignment of Ground Lease Outs for the Charleston Harbor Resort and Marina, Charleston to 20 Patriots Point Hotel, LLC for the hotels, retail and parking (Hotel Leases) and to Charleston Harbor SMI, LLC for the Marina (Marina Lease)

While a Tenth Amendment will be executed to the lease for Parcels B-D prior to its assignment to correct a scrivener's error in the legal description related to Parcels B and C, there are no changes to the terms of the Hotel and Marina Leases. All business terms and conditions remain the same. The lease payments to the Agency are unaffected by the assignment of the leases.

However, Agency will receive revenue from the assignments. The Hotel and Marina Leases contain a one percent (1%) transfer fee payable to Agency. In sum, the transfer fee payable to Agency will be one million eight hundred twenty-five thousand and 00/100 Dollars ($1,825,000.00). In addition to the transfer fee, Agency is reimbursed its professional fees associated with the transactions, including reasonable attorneys' fees.

AUTHORITY ACTION REQUESTED:

Approve the proposed Patriots Point Development Authority Assignment of Ground Lease Outs for the Charleston Harbor Resort and Marina, Charleston to 20 Patriots Point Hotel, LLC for the hotels, retail and parking (Hotel Leases) and to Charleston Harbor SMI, LLC, for the Marina (Marina Lease), 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: 8/19/2026 **Regular Agenda**

1. Submitted by:
(a) Agency: Department of Administration
(b) Authorized Official Signature: Ashlie Lancaster
Ashlie Lancaster, FMPS Director

2. Subject: Patriots Point Development Authority Assignment of Ground Lease Outs for the Charleston Harbor Resort and Marina, Charleston to 20 Patriots Point Hotel, LLC for the hotels, retail and parking (Hotel Leases) and to Charleston Harbor SMI, LLC for the Marina (Marina Lease).

3. Summary and Background Information:

Patriots Point Development Authority (Agency) requests approval for the assignment and assumption of three leases comprising the Charleston Harbor Resort and Marina (CHRM). CHRM includes two hotels, parking, swimming pools, restaurant, spa, amenities, recreational facilities and a marina with approximately 287 slips, bath and shower facilities, and fuel facility.

The Agency is the landlord of five parcels comprising CHRM. Parcels A-D are utilized for the resort (hotel, retail, and parking) and Parcel B-1 is for the marina. There is one lease for Parcel A and one lease for Parcels B-D (Hotel Leases) and one lease for Parcel B-1 (Marina Lease). The current tenant for all three leases is Charleston Harbor Holding Company, LLC (CHHC). The leases are structured for the Agency to receive an annual base rent and an annual percentage rate based on gross revenue.

Parcel	Acreage
Parcel A	9.79
Parcel B	8.06
Parcel C	1.37
Parcel D	4.22
Parcel B-1	12.15

CHHC has entered into a purchase and sale agreement for the leasehold interest in the Hotel Leases (Parcels A and B-D) with 20 Patriots Point Hotel, LLC, a Delaware limited liability company.

CHHC originally entered into a purchase and sale agreement for the leasehold interest in the Marina Lease (Parcel B-1) with Argo Marina Investors, LLC, but that agreement was subsequently assigned to Charleston Harbor SMI, LLC, a Delaware limited liability company (and subsidiary of Suntex Marina Investors, LLC one of the largest marina companies in the U.S.), who will own and operate the marina through two affiliates: Charleston Harbor SMI, LLC, Charleston Harbor Propco Series, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company and Charleston Harbor SMI LLC, Charleston Harbor Opco Series, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company.

While a Tenth Amendment will be executed to the lease for Parcels B-D prior to its assignment to correct a scrivener's error in the legal description related to Parcels B and C, there are no changes to the terms of the Hotel and Marina Leases. All business terms and conditions remain the same. The lease payments to the Agency are unaffected by the assignment of the leases.

However, Agency will receive revenue from the assignments. The Hotel and Marina Leases contain a one percent (1%) transfer fee payable to Agency. In sum, the transfer fee payable to Agency will be one million eight hundred twenty-five thousand and 00/100 Dollars ($1,825,000.00). In addition to the transfer fee, Agency is reimbursed its professional fees associated with the transactions, including reasonable attorneys' fees.

---

4. What is the Authority asked to do? Approve the proposed Patriots Point Development Authority Assignment of Ground Lease Outs for the Charleston Harbor Resort and Marina, Charleston to 20 Patriots Point Hotel, LLC for the hotels, retail and parking (Hotel Leases) and to Charleston Harbor SMI, LLC, for the Marina (Marina Lease).

---

5. What is recommendation of the submitting agency involved? Approve the proposed Patriots Point Development Authority Assignment of Ground Lease Outs for the Charleston Harbor Resort and Marina, Charleston to 20 Patriots Point Hotel, LLC for the hotels, retail and parking (Hotel Leases) and to Charleston Harbor SMI, LLC, for the Marina (Marina Lease).

---

6. Private Participant Disclosure – Check only 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:

Agency Request Letter
Agency Executive Summary
Private Participant Disclosure
Map and Street View of Premises

---

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop. Supporting documentation should include all related agreements or approval requests (e.g., leases, contracts, permanent improvements, indebtedness, agenda items), either current or anticipated; or provide affirmation from the submitting agency that there are no related transactions.

CRAVER LAW FIRM, PA

ATTORNEYS AND COUNSELORS AT LAW
THE FRANKE BUILDING
171 CHURCH STREET, SUITE 120A
CHARLESTON, SOUTH CAROLINA 29401

William E. Craver, III
Rebecca C. Achey

Post Office Box 1016
Charleston, SC 29402-1016
Telephone: (843) 577-7557
Facsimile: (843) 577-0811

July 21, 2026

Via Electronic Mail:
Ashlie Lancaster, Director
SC Department of Administration
803-737-9822
Email: ashlie.lancaster@admin.sc.gov

Re: Tenth Amendment to Parcel BC&D Hotel Lease, Request to Assign Leases for Parcels A, BC&D and B-1 to new tenants, and Request to Consent to Patriots Point Development Authority receiving Transfer Fees in connection with the Assignments.

Dear Ashlie:

Enclosed are the following;

1. Executive Summary explaining the Tenth Amendment, the proposed assignments of leases and the transfer fees,
2. Signed July 17, 2026 Resolutions of the PPDA Board approving the Tenth Amendment, and the three Assignments,
3. The Tenth Amendment to the BCD Lease,
4. The Assignment and Assumption of Ground Leases and Landlord Consent for the Parcel A and Parcels BCD Leases,
5. The Assignment and Assumption of Ground Leases and Landlord Consent for the Parcel B-1 Lease,
6. Transfer Fee Agreement Parcel A,
7. Transfer Fee Agreement Parcels B, C and D, and
8. Transfer Fee Agreement Parcel B-1,
9. The Lease Guaranty of the Parcel A Lease and Parcels BCD Leases,
10. The Lease Guaranty of the Parcel B-1 Lease.

Documents 3-10 are unexecuted current versions and are subject to changes, but the substance of the deal is not going to change. Also, the assignments provide for the leases to be attached. The leases have not been included with this submission. Parcel A lease with amendments is over 400 pages. Parcel BC&D lease is almost 300 pages and Parcel B-1 is over 300 pages. Patriots Point is submitting these documents and instruments for review and approval by the State Fiscal Accountability Authority under SC Code Section 1-11-65.

Please do not hesitate to contact me if you have any questions.

Sincerely,

s/ *Bill*

William E. Craver, III

Copies by email: Wayne Adams, Chairman, PPDA
Allison Hunt, Executive Director, PPDA
Terry Ansley, Director of Property, PPDA
Rebecca C. Achey, Esq.
Brandon Dermody
Catherine O. Hart
Randy Lowell, Esq.
Keith McCook, Esq.
Jennifer E. Thomas Elliott, Attorney at Law
Rachel Jones

Enclosures as stated

Patriots Point Development Authority
Executive Summary
July 21, 2026

Patriots Point Development Authority ("PPDA") is requesting approval for the assignment and assumption of three leases comprising the Charleston Harbor Resort and Marina (CHRM). CHRM includes two hotels, parking, swimming pools, restaurant, spa, amenities, recreational facilities and a marina with approximately 287 slips, bath and shower facilities, and fuel facility.

PPDA is the landlord of five parcels comprising CHRM. Parcels A-D are utilized for the resort (hotel, retail, and parking) and Parcel B-1 is for the marina. There is one lease for Parcel A and one lease for Parcels BC&D (Hotel Leases) and one lease for Parcel B-1 (Marina Lease).

Parcel	Acreage
Parcel A	9.79
Parcel B	8.05
Parcel C	1.37
Parcel D	4.22
Parcel B-1	12.15

The current tenant for all three leases is Charleston Harbor Holding Company, LLC ("CHHC"). The leases are structured for PPDA to receive an annual base rent and an annual percentage rate based on gross revenue.

CHHC has entered into a purchase and sale agreement for the leasehold interest in the Hotel Leases with 20 Patriots Point Hotel, LLC, a Delaware limited liability company.

CHHC has entered into a purchase and sale agreement for the leasehold interest in the Marina Lease with Argo Marina Investors, LLC, a Delaware limited liability company, who will own and operate the marina through two affiliates: Charleston Harbor SMI, LLC, Charleston Harbor Propco Series, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company and Charleston Harbor SMI LLC, Charleston Harbor Opco Series, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company.

There are no changes to the terms of the Hotel and Marina Leases. All business terms and conditions remain the same. The lease payments to PPDA are unaffected by the assignment of the leases.

However, PPDA will receive revenue from the assignments. The Hotel and Marina Leases contain a one percent (1%) transfer fee payable to PPDA. In sum, the transfer fee payable to

PPDA will be One Million Eight Hundred Twenty-five Thousand and 00/100 Dollars ($1,825,000.00). In addition to the transfer fee, PPDA is reimbursed its professional fees associated with the transactions, including reasonable attorneys' fees.

PPDA therefore seeks SFAA approval for the assignment of the two Hotel Leases to 20 Patriots Point Hotel, LLC and of the Marina Lease to Charleston Harbor SMI, LLC, Charleston Harbor Propco Series and Charleston Harbor SMI LLC, Charleston Harbor Opco Series.

Hotel Leases

Parcel A

PPDA has leased to several entities, beginning with the first tenant lease dated July 2, 1996, by and between PPDA and Gulf Stream Capital Associates, LLC Original, as assigned to Charleston Harbor Partners I Limited Partnership, and then assigned to Great American Life Insurance Company, an Ohio insurance corporation, pursuant to an Assignment and Assumption of Lease Parcel A dated May 2, 2002, and as further assigned to CHHC pursuant to an Assignment and Assumption of Lease Agreement for Parcel A effective as of May 31, 2021.

This lease has been amended as follows: (i) First Amendment to Lease Agreement for Parcel A made as of October 1, 1996, (ii) Second Amendment to Lease Agreement for Parcel A made as of October 3, 1997, (iii) Third Amendment to Lease Agreement for Parcel A made as of October 14, 1997, (iv) Fourth Amendment to Lease Agreement for Parcel A made as of April 20, 2000, (v) Settlement Agreement and Lease Amendment dated May 8, 2008, (vi) Fifth Amendment to Lease Agreement for Parcel A made as of May 8, 2008, and (vii) Settlement Agreement and Lease Amendment dated May 28, 2021.

Parcels B, C, and D

PPDA has leased to several entities, beginning with the first tenant lease dated January 1, 1997 by and between PPDA and Gulf Stream Capital Associates, LLC, which was assigned to Charleston Harbor Partners III Limited Partnership pursuant to an Assignment of Ground Lease dated as of January 1, 1997, which was then assigned to Great American Life Insurance Company pursuant to an Assignment and Assumption of Lease Parcels B, C and D dated May 2, 2002, which was then assigned to CHHC pursuant to an Assignment and Assumption of Lease Agreement for Parcels B, C and D effective as of May 31, 2021.

This lease has been amended as follows: (i) First Amendment to Lease Agreement for Parcels B, C and D made as of October 3, 1997, (ii) Second Amendment to Lease Agreement for Parcels B, C and D made as of April 20, 2000, (iii) Third Amendment to Lease Agreement for Parcels B, C and D made as of April 11, 2001, (iv) Fourth Amendment to Lease Agreement for Parcels B, C and D made as of June 14, 2001, (v) Fifth Amendment to Lease Agreement for Parcels B, C and D made as of February 1, 2002; (vi) Sixth Amendment to Lease Agreement for Parcels B, C and D made as of November 18, 2003; (vii) Settlement Agreement and Lease Amendment dated May 8, 2008, (viii) Seventh Amendment to Lease Agreement for Parcels B, C and D made as of May 8, 2008, (ix) Eighth Amendment to Lease Agreement for Parcels B, C and D made as of May 8, 2008; (x) Settlement Agreement and Lease Amendment dated May 28, 2021, and (xi) Ninth Amendment to Lease Agreement for Parcels B, C and D made as of May 28, 2021. A Tenth

Amendment will be executed prior to the assignment to correct a scrivener's error in a legal description related to Parcels B and C.

Marina Lease

Parcel B-1

PPDA has leased to several entities, beginning with the first tenant lease dated as of January 1, 1997, between PPDA and Gulf Stream Capital Associates, LLC, a Delaware limited liability company, which was assigned by Gulf Stream to Charleston Harbor Partners II Limited Partnership, a Delaware limited partnership, pursuant to that certain Assignment of Ground Lease dated as of January 1, 1997.

The lease has been amended as follows: First Amendment to Lease Agreement dated as of October 1, 1997, Second Amendment to Lease Agreement dated as of October 2, 1997, Third Amendment to Lease Agreement dated as of October 3, 1997, Fourth Amendment to Lease Agreement dated April 20, 2000 by and between Ground Lessor and CHP II, as assigned by CHP II to Charleston Harbor Marina, Inc., a South Carolina corporation, pursuant to that certain Assignment and Assumption of Lease dated as of May 2, 2002, as assigned by CHM to Great American Life Insurance Company, an Ohio insurance corporation, pursuant to that Assignment and Assumption of Lease Parcel B-1-The Marina dated December 31, 2006, as amended pursuant to that Settlement Agreement and Lease Amendment dated as of May 8, 2008, Fifth Amendment to Lease Agreement dated as of May 8, 2008, as amended pursuant to that Settlement Agreement and Lease Amendment dated as of May 28, 2021, Sixth Amendment to Lease Agreement dated as of May 28, 2021, and as assigned by Great American to CHCC pursuant to that Assignment and Assumption of Lease dated as of May 28, 2021.

RESOLUTION OF THE BOARD OF THE PATRIOTS POINT DEVELOPMENT AUTHORITY

Parcel A Lease: the Hotel
Mt. Pleasant, South Carolina

A RESOLUTION BY THE PATRIOTS POINT DEVELOPMENT AUTHORITY APPROVING THE TRANSFER TO **20 PATRIOTS POINT HOTEL, LLC,** A DELAWARE LIMITED LIABILITY COMPANY, OF THE LEASE AGREEMENT (AS AMENDED, "**LEASE**") FOR PARCEL "A" BETWEEN PATRIOTS POINT DEVELOPMENT AUTHORITY ("**LANDLORD**" or "**AUTHORITY**") AND CHARLESTON HARBOR HOLDING COMPANY, LLC ("**CHHC**") AND AUTHORIZING THE PREPARATION, NEGOTIATION, AND EXECUTION OF SUCH DOCUMENTS AND INSTRUMENTS BY THE AUTHORITY AS ARE NECESSARY OR APPROPRIATE TO COMPLETE SUCH ASSIGNMENT, INCLUDING, BUT NOT LIMITED TO, AN ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT, A STATEMENT OF LANDLORD, AND A TRANSFER FEE AGREEMENT, AND AUTHORIZING THE CHAIRMAN (OR VICE CHAIRMAN) AND THE SECRETARY TO NEGOTIATE AND EXECUTE SUCH DOCUMENTS AND INSTRUMENTS ON BEHALF OF THE AUTHORITY.

The motion, properly seconded, is as follows:

1. Definitions. The terms defined in this Section for all purposes of this Resolution shall have the respective meanings as set forth in this Section. The term:

   a. "**Assignee**" means **20 Patriots Point Hotel, LLC,** A Delaware Limited Liability Company.

   b. "**Authority**" means the Patriots Point Development Authority.

   c. "**Board**" means the Board of the Patriots Point Development Authority.

d. "**Documents**" mean and include such documents and instruments as are necessary or appropriate to complete the assignment of the Lease from CHHC to the Assignee and to evidence the mortgage loan (the "**Loan**") to be made from Great American Insurance Company ("**Lender**") to Assignee, including but not limited to the following documents, a copy of each of which has been presented to the Board and for purposes of this Resolution means all of the business and transactions to be consummated pursuant thereto: (i) a Landlord Consent to Assignment and Assumption of Lease Agreement, (ii) a Statement of Landlord, (iii) a Transfer Fee Agreement, (iv) Leasehold Mortgage, Fixture Filing, Assignment of Leases and Rents and Security Agreement and other documents evidencing the Loan and (v) such other documents as the Chairman (or Vice Chairman) and the Secretary agree are necessary or appropriate for the Authority to execute.

e. "**Resolution**" means this Resolution of the Board.

2. Approval of Documents.

a. The Board (i) consents to the transfer of the Lease by CHHC to the Assignee, (ii) consents to the Loan subject to Assignee's full compliance with Article XXX of the Parcel A Lease and PPDA's review and confirmation to PPDA's satisfaction that the Loan documents (including without limitation the Leasehold Mortgage, Fixture Filing, Assignment of Leases and Rents, and Security Agreement and other documents evidencing the Loan) comply with Article XXX of the Parcel A Lease and (iii) approves the execution, delivery and recordation of the Documents in connection with the transfer of the Lease to the Assignee.

b. The Documents are to be in the form of the Documents as presented to the Board or as otherwise negotiated and may be revised and approved by the Chairman of the Board (or the Vice Chairman of the Board) and the Secretary of the Board with the advice of counsel. The Chairman of the Board's (or the Vice Chairman of the Board's) and

Secretary of the Board's execution and delivery thereof to constitute conclusive evidence of (i) approval of such Documents and of any and all changes or revisions therein from the forms of the Documents presented to the Board, and (ii) CHHC and Assignee compliance with applicable requirements of the Lease.

3. Execution of Documents. The Chairman of the Board (or the Vice Chairman of the Board) and Secretary of the Board are fully empowered and authorized to take such further action (including the expenditure of funds) and to execute and deliver such additional documents and instruments as they deem necessary or appropriate to effect the execution and delivery of the Documents in accordance with the terms and conditions therein set forth, and the transaction contemplated hereby and thereby, and the action of the Chairman of the Board (or the Vice Chairman of the Board) and Secretary of the Board in executing and delivering any of such documents and instruments, in such form as the Board shall approve, is hereby fully authorized, the Chairman of the Board's (or the Vice Chairman of the Board's) and Secretary of the Board's execution thereof to constitute conclusive evidence of approval of any and all such additional documents, instruments, and actions.

4. Further Actions. The Chairman of the Board (or the Vice Chairman of the Board) and Secretary of the Board for and on behalf of the Authority, are hereby authorized, empowered, and directed to do any and all things necessary to effect the execution and delivery of the Documents, and the performance of all obligations of the Authority under and pursuant to the Documents.

5. Effective Date. This Resolution is effective upon its enactment by the Board of the Patriots Point Development Authority, Mt. Pleasant, South Carolina.

This Resolution shall forthwith be filed with the Authority's resolutions in the manner prescribed by law.

Enacted July 17, 2026 to be effective July 17, 2026.

PATRIOTS POINT DEVELOPMENT AUTHORITY

BY: _____
Wayne Adams, Vice Chairman

ATTEST: _____
Allison Hunt, Secretary

RESOLUTION OF THE BOARD OF THE PATRIOTS POINT DEVELOPMENT AUTHORITY

Parcels B, C, and D Lease
Mt. Pleasant, South Carolina

A RESOLUTION BY THE PATRIOTS POINT DEVELOPMENT AUTHORITY APPROVING THE TRANSFER TO **20 PATRIOTS POINT HOTEL, LLC,** A DELAWARE LIMITED LIABILITY COMPANY, OF THE LEASE AGREEMENT (AS AMENDED, "**LEASE**") FOR PARCELS "B, C, and D" BETWEEN PATRIOTS POINT DEVELOPMENT AUTHORITY ("**LANDLORD**" or "**AUTHORITY**") AND CHARLESTON HARBOR HOLDING COMPANY, LLC ("**CHHC**") AND AUTHORIZING THE PREPARATION, NEGOTIATION, AND EXECUTION OF SUCH DOCUMENTS AND INSTRUMENTS BY THE AUTHORITY AS ARE NECESSARY OR APPROPRIATE TO COMPLETE SUCH ASSIGNMENT, INCLUDING, BUT NOT LIMITED TO, AN ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT, A STATEMENT OF LANDLORD, AND A TRANSFER FEE AGREEMENT, AND AUTHORIZING THE CHAIRMAN (OR VICE CHAIRMAN) AND THE SECRETARY TO NEGOTIATE AND EXECUTE SUCH DOCUMENTS AND INSTRUMENTS ON BEHALF OF THE AUTHORITY.

The motion, properly seconded, is as follows:

1. Definitions. The terms defined in this Section for all purposes of this Resolution shall have the respective meanings as set forth in this Section. The term:

   a. "**Assignee**" means **20 Patriots Point Hotel, LLC,** A Delaware Limited Liability Company.

   b. "**Authority**" means the Patriots Point Development Authority.

   c. "**Board**" means the Board of the Patriots Point Development Authority.

d. "**Documents**" mean and include such documents and instruments as are necessary or appropriate to complete the assignment of the Lease from CHHC to the Assignee and to evidence the mortgage loan (the "**Loan**") to be made from Great American Insurance Company ("**Lender**") to Assignee, including but not limited to the following documents, a copy of each of which has been presented to the Board and for purposes of this Resolution means all of the business and transactions to be consummated pursuant thereto: (i) a Landlord Consent to Assignment and Assumption of Lease Agreement, (ii) a Statement of Landlord, (iii) a Transfer Fee Agreement, (iv) Leasehold Mortgage, Fixture Filing, Assignment of Leases and Rents and Security Agreement and other documents evidencing the Loan and (v) such other documents as the Chairman (or Vice Chairman) and the Secretary agree are necessary or appropriate for the Authority to execute.

e. "**Resolution**" means this Resolution of the Board.

2. Approval of Documents.

a. The Board (i) consents to the transfer of the Lease by CHHC to the Assignee, (ii) consents to the Loan subject to Assignee's full compliance with Article XXX of the Parcel BC&D Lease and PPDA's review and confirmation to PPDA's satisfaction that the Loan documents (including without limitation the Leasehold Mortgage, Fixture Filing, Assignment of Leases and Rents, and Security Agreement and other documents evidencing the Loan) comply with Article XXX of the Parcel BCD Lease and (iii) approves the execution, delivery and recordation of the Documents in connection with the transfer of the Lease to the Assignee.

b. The Documents are to be in the form of the Documents as presented to the Board or as otherwise negotiated and may be revised and approved by the Chairman of the Board (or the Vice Chairman of the Board) and the Secretary of the Board with the advice of counsel. The

Chairman of the Board's (or the Vice Chairman of the Board's) and Secretary of the Board's execution and delivery thereof to constitute conclusive evidence of (i) approval of such Documents and of any and all changes or revisions therein from the forms of the Documents presented to the Board, and (ii) CHHC and Assignee compliance with applicable requirements of the Lease.

3. Execution of Documents. The Chairman of the Board (or the Vice Chairman of the Board) and Secretary of the Board are fully empowered and authorized to take such further action (including the expenditure of funds) and to execute and deliver such additional documents and instruments as they deem necessary or appropriate to effect the execution and delivery of the Documents in accordance with the terms and conditions therein set forth, and the transaction contemplated hereby and thereby, and the action of the Chairman of the Board (or the Vice Chairman of the Board) and Secretary of the Board in executing and delivering any of such documents and instruments, in such form as the Board shall approve, is hereby fully authorized, the Chairman of the Board's (or the Vice Chairman of the Board's) and Secretary of the Board's execution thereof to constitute conclusive evidence of approval of any and all such additional documents, instruments, and actions.

4. Further Actions. The Chairman of the Board (or the Vice Chairman of the Board) and Secretary of the Board for and on behalf of the Authority, are hereby authorized, empowered, and directed to do any and all things necessary to effect the execution and delivery of the Documents, and the performance of all obligations of the Authority under and pursuant to the Documents.

5. Effective Date. This Resolution is effective upon its enactment by the Board of the Patriots Point Development Authority, Mt. Pleasant, South Carolina.

This Resolution shall forthwith be filed with the Authority's resolutions in the manner prescribed by law.

Enacted July 17, 2026 to be effective July 17, 2026.

PATRIOTS POINT DEVELOPMENT AUTHORITY

BY: _____
Wayne Adams, Vice Chairman

ATTEST: _____
Allison Hunt, Secretary

RESOLUTION OF THE BOARD OF THE PATRIOTS POINT DEVELOPMENT AUTHORITY

Parcel B-1 Lease: the Marina
Mt. Pleasant, South Carolina

A RESOLUTION BY THE PATRIOTS POINT DEVELOPMENT AUTHORITY APPROVING THE TRANSFER TO **CHARLESTON HARBOR SMI, LLC, CHARLESTON HARBOR PROPCO SERIES**, A REGISTERED SERIES OF CHARLESTON HARBOR SMI, LLC, A DELAWARE SERIES LIMITED LIABILITY COMPANY, AND **CHARLESTON HARBOR SMI, LLC, CHARLESTON HARBOR OPCO SERIES**, A REGISTERED SERIES OF CHARLESTON HARBOR SMI, LLC, A DELAWARE SERIES LIMITED LIABILITY COMPANY, OF THE LEASE AGREEMENT (AS AMENDED, "**LEASE**") FOR PARCEL "B-1" BETWEEN PATRIOTS POINT DEVELOPMENT AUTHORITY ("**LANDLORD**" or "**AUTHORITY**") AND CHARLESTON HARBOR HOLDING COMPANY, LLC ("**CHHC**") AND AUTHORIZING THE PREPARATION, NEGOTIATION, AND EXECUTION OF SUCH DOCUMENTS AND INSTRUMENTS BY THE AUTHORITY AS ARE NECESSARY OR APPROPRIATE TO COMPLETE SUCH ASSIGNMENT, INCLUDING, BUT NOT LIMITED TO, AN ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT, A STATEMENT OF LANDLORD, AND A TRANSFER FEE AGREEMENT, AND CONSENTING TO THE ENCUMBRANCE OF THE LEASEHOLD INTEREST BY ASSIGNEE IN CONNECTION WITH ASSIGNEE'S ACQUISITION FINANCING, AND AUTHORIZING THE CHAIRMAN (OR VICE CHAIRMAN) AND THE SECRETARY TO NEGOTIATE AND EXECUTE SUCH DOCUMENTS AND INSTRUMENTS ON BEHALF OF THE AUTHORITY.

The motion, properly seconded, is as follows:

1. Definitions. The terms defined in this Section for all purposes of this Resolution shall have the respective meanings as set forth in this Section. The term:

   a. "**Assignee**" means **CHARLESTON HARBOR SMI, LLC,**

CHARLESTON HARBOR PROPCO SERIES, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company, and **CHARLESTON HARBOR SMI, LLC, CHARLESTON HARBOR OPCO SERIES**, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company.

b. "**Authority**" means the Patriots Point Development Authority.

c. "**Board**" means the Board of the Patriots Point Development Authority.

d. "**Documents**" mean and include such documents and instruments as are necessary or appropriate to complete the assignment of the Lease from CHHC to the Assignee, including but not limited to the following documents, a copy of each of which has been presented to the Board and for purposes of this Resolution means all of the business and transactions to be consummated pursuant thereto: (i) a Landlord Consent to Assignment and Assumption of Lease Agreement substantially in the form attached hereto, (ii) a Statement of Landlord, (iii) a Transfer Fee Agreement, (iv) such documents as are necessary or appropriate to acknowledge and consent to Assignee's mortgage or other encumbrance of the leasehold interest in connection with Assignee's acquisition financing in compliance with the Lease, and (v) such other documents as the Chairman (or Vice Chairman) and the Secretary agree are necessary or appropriate for the Authority to execute.

e. "**Resolution**" means this Resolution of the Board.

2. Approval of Documents.

a. The Board (i) consents to the transfer of the Lease by CHHC to the Assignee, (ii) approves the execution and delivery and recordation of the Documents in connection with the transfer of the Lease to the Assignee, and (iii) consents to the encumbrance of the leasehold

interest by Assignee in connection with Assignee's acquisition financing and authorizes the execution and delivery of such documents as are necessary or appropriate to effectuate and evidence such consent, and providing Assignee's lender with notice and cure rights and other customary leasehold mortgage protections which are in compliance with the Lease.

b. The Documents are to be substantially in the form of the Documents as presented to the Board or as otherwise negotiated and as may be revised and approved by the Chairman of the Board (or the Vice Chairman of the Board) and the Secretary of the Board with the advice of counsel. The Chairman of the Board's (or the Vice Chairman of the Board's) and Secretary of the Board's execution and delivery thereof to constitute conclusive evidence of (i) approval of such Documents and of any and all changes or revisions therein from the forms of the Documents presented to the Board, and (ii) CHHC and Assignee compliance with applicable requirements of the Lease.

3. Execution of Documents. The Chairman of the Board (or the Vice Chairman of the Board) and Secretary of the Board are fully empowered and authorized to take such further action (including the expenditure of funds) and to execute and deliver such additional documents and instruments as they deem necessary or appropriate to effect the execution and delivery of the Documents in accordance with the terms and conditions therein set forth, and the transaction contemplated hereby and thereby, and the action of the Chairman of the Board (or the Vice Chairman of the Board) and Secretary of the Board in executing and delivering any of such documents and instruments, in such form as the Board shall approve, is hereby fully authorized, the Chairman of the Board's (or the Vice Chairman of the Board's) and Secretary of the Board's execution thereof to constitute conclusive evidence of approval of any and all such additional documents, instruments, and actions.

4. Further Actions. The Chairman of the Board (or the Vice Chairman of the Board) and Secretary of the Board for and on behalf of the Authority, are hereby authorized, empowered, and directed to do any and all things

necessary to effect the execution and delivery of the Documents, and the performance of all obligations of the Authority under and pursuant to the Documents.

5. Effective Date. This Resolution is effective upon its enactment by the Board of the Patriots Point Development Authority, Mt. Pleasant, South Carolina.

This Resolution shall forthwith be filed with the Authority's resolutions in the manner prescribed by law.

Enacted July 17, 2026 to be effective July 17, 2026.

PATRIOTS POINT DEVELOPMENT AUTHORITY

BY: _____
Wayne Adams, Vice Chairman

ATTEST: _____
Allison Hunt, Secretary

RESOLUTION OF THE
PATRIOTS POINT DEVELOPMENT AUTHORITY

Approval of the Tenth Amendment to the Parcels BC&D Lease
Mt. Pleasant, South Carolina

On a motion duly made and seconded, the Patriots Point Development Authority ("Patriots Point") approved the Tenth Amendment to the Parcels BC&D Lease. A current draft of the Tenth Amendment to the Parcels BC&D Lease has been presented to the Patriots Point Development Authority Board.

The resolution further authorizes the Chairman or Vice Chairman and the Secretary to execute the Tenth Amendment to the Parcels BC&D Lease on behalf of Patriots Point with such changes and revisions therein as shall be approved by the Chairman or Vice Chairman, the Chairman's or Vice Chairman's and Secretary's execution thereof to constitute conclusive evidence of approval of any and all changes or revisions therein from the form of the Tenth Amendment to the Parcels BC&D Lease now before this meeting.

Enacted the 17th day of July, 2026.

PATRIOTS POINT DEVELOPMENT AUTHORITY

BY: _____
Wayne Adams, Chairman

ATTEST: _____
Allison Hunt, Secretary

S:\Shared Folders\Craver\1PPDA 50000\1AFG Sale of Leases 2025 50000-98939\Drafts\Parcel BCD\10th Amendment July 17 2026 Cor Prop Desc\Resolution approving BCD Tenth Amendment 7-17-2026.doc

STATE OF SOUTH CAROLINA	**)**	**TENTH AMENDMENT TO**
	)	**LEASE AGREEMENT FOR**
COUNTY OF CHARLESTON	**)**	**PARCELS B, C AND D**

THIS TENTH AMENDMENT TO LEASE AGREEMENT FOR PARCELS B, C AND D is made to be effective as of the 31st day of July, 2026 (the "Tenth Amendment") by and between **PATRIOTS POINT DEVELOPMENT AUTHORITY**, a public body corporate and agency of the State of South Carolina (hereinafter referred to as "Landlord" or "Authority") and **CHARLESTON HARBOR HOLDING COMPANY, LLC,** a South Carolina limited liability company, whose address is 301 East 4th Street, Cincinnati, Ohio 45202, Attn: Mark F. Muething (hereinafter referred to as "Tenant").

WITNESSETH:

WHEREAS, Landlord and Gulf Stream Capital Associates, L.L.C. ("Original Tenant") entered into a Lease Agreement for Parcels "B, C and D" dated as of January 1, 1997 (as amended, the "Lease") covering certain real property described in the Lease (Parcels B, C and D are also referred to as the "Premises");

WHEREAS, Original Tenant assigned the Lease to Charleston Harbor Partners III Limited Partnership, a Delaware limited partnership (the "Second Tenant") pursuant to an Assignment of Ground Lease dated as of January 1, 1997;

WHEREAS, Landlord and Second Tenant amended the Lease pursuant to that certain First Amendment to Lease Agreement for Parcels B, C and D dated as of October 3, 1997 (herein, the "First Amendment to Lease Agreement for Parcels B, C and D") by deleting the Exhibit described in Article I.A. of the Lease as "**Exhibit A**" and attached to the Lease as "LEGAL DESCRIPTION FOR PARCELS "B", "C" AND "D" PROPERTY OF PATRIOTS POINT DEVELOPMENT AUTHORITY" and replacing it with "**Exhibit B**" containing three (3) separate legal descriptions, one for each of Parcel B, Parcel C and Parcel D:

(1) Job No. 30127.00, Date of Legal: 9-24-97; LEGAL DESCRIPTION FOR **PARCEL B**, PROPERTY OF PATRIOTS POINT DEVELOPMENT AUTHORITY AND CHARLESTON HARBOR PARTNERS III LIMITED PARTNERSHIP;

(2) Job No. 30127.00, Date of Legal: 9-24-97; LEGAL DESCRIPTION FOR **PARCEL C**, PROPERTY OF PATRIOTS POINT DEVELOPMENT AUTHORITY AND CHARLESTON HARBOR PARTNERS III LIMITED PARTNERSHIP;

(3) Job No. 30127.00, Date of Legal: 9-24-97; LEGAL DESCRIPTION FOR **PARCEL**

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, S.C. CODE ANN. § 15-48-10 *ET SEQ*., AS AMENDED FROM TIME TO TIME

D, PROPERTY OF PATRIOTS POINT DEVELOPMENT AUTHORITY AND CHARLESTON HARBOR PARTNERS III LIMITED PARTNERSHIP;

Which Parcels B, C and D are delineated on a Plat prepared by Davis & Floyd and recorded in Plat Book EC, pages 84, 85 and 86.

WHEREAS, Landlord and Second Tenant amended the Lease pursuant to that certain Second Amendment to Lease Agreement for Parcels B, C and D dated as of April 20, 2000;

WHEREAS, Landlord and Second Tenant amended the Lease pursuant to that certain Third Amendment to Lease Agreement for Parcels B, C and D dated as of April 11, 2001;

WHEREAS, Landlord and Second Tenant amended the Lease pursuant to that certain Fourth Amendment to Lease Agreement for Parcels B, C and D dated as of June 14, 2001;

WHEREAS, Landlord and Second Tenant amended the Lease pursuant to that certain Fifth Amendment to Lease Agreement for Parcels B, C and D dated as of February 1, 2002;

WHEREAS, Second Tenant assigned the Lease to Great American Life Insurance Company, an Ohio insurance corporation ("Third Tenant") pursuant to an Assignment and Assumption of Lease Parcels B, C and D dated as of May 2, 2002;

WHEREAS, Landlord and Third Tenant amended the Lease pursuant to that certain Sixth Amendment to Lease Agreement for Parcels B, C and D dated as of November 18, 2003;

WHEREAS, Landlord and Third Tenant amended the Lease pursuant to that certain Seventh Amendment to Lease Agreement for Parcels B, C and D dated May 8, 2008;

WHEREAS, Landlord and Third Tenant amended the Lease pursuant to that certain Eighth Amendment to Lease Agreement for Parcels B, C and D dated as of May 8, 2008;

WHEREAS, Landlord and Third Tenant amended the Lease pursuant to that certain Ninth Amendment to Lease Agreement for Parcels B, C and D dated as of May 28, 2021 to (i) change the Minimum Rent to $500,000 and apply a CPI adjustment to the Minimum Rent annually commencing 2022, and (ii) set the percentages to be applied in calculation of Percentage Rent for additional specific uses;

WHEREAS, Third Tenant assigned the Lease to Tenant pursuant to an Assignment and Assumption of Lease Agreement Parcels B, C and D dated to be effective May 31, 2021.

WHEREAS, a survey including Parcel B and Parcel C, prepared by Thomas & Hutton Engineering Co., dated March 25, 2026, being a portion of that certain parcel of property located in Charleston County and identified as TMS 517-00-00-002, and being shown on a plat entitled "AN ALTA/NSPS LAND TITLE SURVEY OF PARCEL A, B, C, & D OWNED BY PATRIOT'S POINT DEVELOPMENT AUTHORITY" (the "March 25, 2026 Thomas & Hutton Survey") revealed an (i) error in the legal description in the **Exhibit B** of the First Amendment to Lease Agreement for Parcels B, C and D and attached to the First Amendment to Lease Agreement for Parcels B, C and D as "Job No. 30127.00, Date of Legal: 9-24-97; LEGAL DESCRIPTION FOR **PARCEL B** PROPERTY OF PATRIOTS POINT DEVELOPMENT AUTHORITY AND CHARLESTON HARBOR PARTNERS III LIMITED PARTNERSHIP," which error resulted in a gap in the legal description of approximately twenty-three (23) feet; and Landlord and Tenant desire to correct the error by amending the Lease, as previously amended, to supplement and overlap the legal description ("Job No. 30127.00, Date of Legal: 9-24-97; LEGAL DESCRIPTION FOR **PARCEL B** PROPERTY OF PATRIOTS POINT DEVELOPMENT AUTHORITY AND CHARLESTON HARBOR PARTNERS III LIMITED PARTNERSHIP") with the legal description of Parcel B resulting from the March 25, 2026 Thomas & Hutton Survey and (ii) error in the legal description in the **Exhibit C** of the First Amendment to Lease Agreement for Parcels B, C and D and attached to the First Amendment to Lease Agreement for Parcels B, C and D as "Job No. 30127.00, Date of Legal: 9-24-97; LEGAL DESCRIPTION FOR **PARCEL C** PROPERTY OF PATRIOTS POINT DEVELOPMENT AUTHORITY AND CHARLESTON HARBOR PARTNERS III LIMITED PARTNERSHIP," which error resulted a in a gap in the legal description; and Landlord and Tenant desire to correct the error by amending the Lease, as previously amended, to supplement and overlap the legal description ("Job No. 30127.00, Date of Legal: 9-24-97; LEGAL DESCRIPTION FOR **PARCEL C** PROPERTY OF PATRIOTS POINT DEVELOPMENT AUTHORITY AND CHARLESTON HARBOR PARTNERS III LIMITED PARTNERSHIP") with the legal description of Parcel C resulting from the March 25, 2026 Thomas & Hutton Survey.

NOW, THEREFORE, for and in consideration of the promises and covenants herein contained, the recitals above, and in further consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable consideration paid by Tenant to Landlord, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. The portion of the legal description attached as **Exhibit B** to the First Amendment to Lease Agreement for Parcels B, C and D dated as of October 3, 1997 and described in **Exhibit B** as "Job No. 30127.00, Date of Legal: 9-24-97; LEGAL DESCRIPTION FOR **PARCEL B** PROPERTY OF PATRIOTS POINT DEVELOPMENT AUTHORITY AND CHARLESTON HARBOR PARTNERS III LIMITED PARTNERSHIP" is hereby deleted in its entirety and replaced with "Description of Lease Parcel 'B'" attached hereto as "**Exhibit B-1** to Tenth Amendment, Patriots Point Development Authority and

Charleston Harbor Holding Company, LLC" and incorporated herein by reference.

2. The portion of the legal description attached as **Exhibit C** to the First Amendment to Lease Agreement for Parcels B, C and D dated as of October 3, 1997 and described in **Exhibit C** as "Job No. 30127.00, Date of Legal: 9-24-97; LEGAL DESCRIPTION FOR **PARCEL C** PROPERTY OF PATRIOTS POINT DEVELOPMENT AUTHORITY AND CHARLESTON HARBOR PARTNERS III LIMITED PARTNERSHIP" is hereby deleted in its entirety and replaced with "Description of Lease Parcel 'B'" attached hereto as "**Exhibit C-1** to Tenth Amendment, Patriots Point Development Authority and Charleston Harbor Holding Company, LLC" and incorporated herein by reference.

3. Except as expressly modified hereby, the Lease as previously amended remains unmodified and in full force and effect. If any term or terms of the Lease are in conflict with any term or terms of this Tenth Amendment, the terms of this Tenth Amendment shall control.

INDIVIDUAL SIGNATURE PAGES ARE ATTACHED HERETO.
The balance of this page, other than the footer, is blank.

SIGNATURE PAGE

IN WITNESS WHEREOF, the undersigned has set their hands and seals as of the date and year first above written.

WITNESSES AS TO TENANT

Sign Name:_____

Print Name:_____

Sign Name:_____

Print Name:_____

FOR THE TENANT:

CHARLESTON HARBOR HOLDING COMPANY, LLC, a South Carolina limited liability company

By: _____
Print Name: _____
Its: _____

Dated:_____

STATE OF _____)
)
COUNTY OF _____)

ACKNOWLEDGMENT

I, _____, Notary Public for the State of _____, do hereby certify that _____(NAME) as _____(TITLE) of **CHARLESTON HARBOR HOLDING COMPANY, LLC,** a South Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 202__.

_____
Notary Public for _____
My commission expires _____
(SEAL)

SIGNATURE PAGE

IN WITNESS WHEREOF, the undersigned has set their hands and seals as of the date and year first above written.

WITNESSES AS TO LANDLORD:

FOR THE LANDLORD:

PATRIOTS POINT DEVELOPMENT AUTHORITY, a body corporate under the laws of the State of South Carolina

By: _____
Wayne Adams, Chairman

Sign Name:_____

Print Name:_____

Dated:_____

Sign Name:_____

Print Name:_____

STATE OF SOUTH CAROLINA)
) **ACKNOWLEDGMENT**
COUNTY OF CHARLESTON)

I, _____, Notary Public for the State of South Carolina, do hereby certify that Wayne Adams as Chairman of **PATRIOTS POINT DEVELOPMENT AUTHORITY**, a public body corporate and agency of the State of South Carolina, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 202__.

_____
Notary Public for _____
My commission expires _____
(SEAL)

SIGNATURE PAGE

IN WITNESS WHEREOF, the undersigned has set their hands and seals as of the date and year first above written.

WITNESSES AS TO LANDLORD:

FOR THE LANDLORD:

PATRIOTS POINT DEVELOPMENT AUTHORITY, a body corporate under the laws of the State of South Carolina

By: _____
Allison Hunt, Secretary

Sign Name:_____

Print Name:_____

Dated:_____

Sign Name:_____

Print Name:_____

STATE OF SOUTH CAROLINA)
) **ACKNOWLEDGMENT**
COUNTY OF CHARLESTON)

I, _____, Notary Public for the State of South Carolina, do hereby certify that Allison Hunt as Secretary of **PATRIOTS POINT DEVELOPMENT AUTHORITY**, a public body corporate and agency of the State of South Carolina, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 202__.

_____
Notary Public for _____
My commission expires _____
(SEAL)

SIGNATURE PAGE
FOR CONSENT BY:

The South Carolina Department of Administration
Real Property Services

This Lease Amendment is approved in accordance with the South Carolina Code of Regulations §19-447.1000 by the Department of Administration, Real Property Services, this _____ day of _____, 2026. This Lease Amendment was approved by the Joint Bond Review Committee at its _____ meeting and by the State Fiscal Accountability Authority at its _____ meeting.

Witnesses:

Sign Name:_____

Print Name:_____

Sign Name:_____

Print Name:_____

By:_____
Print Name:_____

Its: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF _____)

ACKNOWLEDGMENT

I, _____, Notary Public for the State of South Carolina, do hereby certify that _____(NAME) as _____(TITLE) of the **SOUTH CAROLINA DEPARTMENT OF ADMINISTRATION** personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 202__.

_____
Notary Public for _____
My commission expires _____
(SEAL)

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, S.C. CODE ANN. § 15-48-10 *ET SEQ.*, AS AMENDED FROM TIME TO TIME

EXHIBIT B-1

DESCRIPTION OF LEASE PARCEL "B"

ATTACHED HERETO

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, S.C. CODE ANN. § 15-48-10 *ET SEQ*., AS AMENDED FROM TIME TO TIME

Exhibit A to Tenth Amendment

Patriots Point Development Authority and Charleston Harbor Holding Company, LLC

And,

Additional description of LEASE PARCEL B:

All that piece parcel tract of land known as Parcel B being a portion of Charleston County TMS 517-00-00-002, and being shown on a plat entitled "AN ALTA/NSPS LAND TITLE SURVEY OF PARCEL A, B, C, & D OWNED BY PATRIOT'S POINT DEVELOPMENT AUTHORITY", prepared by Thomas & Hutton Engineering Co., dated March 25, 2026. Said property being more fully described as follows:

Commencing at a 3/4" rebar found at the intersection of lease parcel Parcel A of Patriots Point Development Authority property having Charleston County TMS 517-00-00-106 as recorded in deed book X115, at page 410), lease Parcel D of Patriots Point Development Authority property being a portion of Charleston County TMS 517-00-00-002 as recorded in deed book X115, at page 410 & Commitment Easement Parcel (60' Patriots Point Road Access Easement)

Thence four (4) calls with the lands of TMS 517-00-00-106 & TMS 517-00-00-002
S 14°34'36" W a distance of 87.19 feet to a 5/8" rebar found;
Thence S 04°28'24" E a distance of 65.30 feet to a 3/4" rebar found;
Thence S 13°11'32" W a distance of 208.56 feet to a 5/8" rebar found;
Thence S 61°46'01" W a distance of 191.70 feet to a point;
Said point being the true Point Of Beginning (P.O.B. PARCEL B)

Thence one (1) call with the lands of TMS 517-00-00-002 S 61°46'01" W a distance of 649.00 feet to a point;

Thence eighty four (84) calls with the lands of Parcel B-1 (Patriots Point Development Authority property having Charleston County TMS 517-00-00-119)
N 23°24'35" W a distance of 13.21 feet to a point;

Thence N 15°34'57" W a distance of 22.27 feet to a point;
Thence N 28°58'42" W a distance of 19.89 feet to a point;
Thence N 16°53'43" E a distance of 35.33 feet to a point;
Thence N 50°25'05" W a distance of 20.54 feet to a point;
Thence N 40°33'23" E a distance of 19.12 feet to a point;
Thence N 51°45'04" W a distance of 18.27 feet to a point;
Thence S 59°33'30" W a distance of 10.90 feet to a point;
Thence S 70°17'20" W a distance of 28.81 feet to a point;
Thence N 29°18'58" W a distance of 18.83 feet to a point;
Thence N 53°52'26" W a distance of 18.90 feet to a point;
Thence N 23°27'16" E a distance of 15.28 feet to a point;
Thence N 61°14'30" W a distance of 12.40 feet to a point;
Thence S 68°13'23" W a distance of 19.24 feet to a point;
Thence N 07°13'34" W a distance of 22.01 feet to a point;
Thence N 28°51'05" E a distance of 24.52 feet to a point;
Thence N 06°23'22" W a distance of 21.95 feet to a point;
Thence N 31°00'58" W a distance of 23.05 feet to a point;
Thence N 16°02'17" E a distance of 15.45 feet to a point;
Thence S 29°37'23" E a distance of 17.14 feet to a point;
Thence N 72°20'52" E a distance of 24.75 feet to a point;
Thence S 09°13'30" E a distance of 16.00 feet to a point;
Thence S 55°19'53" E a distance of 10.84 feet to a point;
Thence N 20°39'32" E a distance of 30.24 feet to a point;
Thence N 51°45'16" W a distance of 14.63 feet to a point;
Thence N 37°47'45" W a distance of 0.68 feet to a point;
Thence N 22°28'02" W a distance of 29.28 feet to a point;
Thence N 45°16'32" W a distance of 22.43 feet to a point;
Thence N 11°18'17" W a distance of 23.92 feet to a point;
Thence N 16°51'36" W a distance of 28.35 feet to a point;
Thence N 07°38'01" E a distance of 39.75 feet to a point;
Thence N 54°44'06" E a distance of 29.59 feet to a point;

Thence N 77°15'52" E a distance of 49.47 feet to a point;
Thence N 41°06'53" E a distance of 27.43 feet to a point;
Thence N 18°11'26" E a distance of 17.01 feet to a point;
Thence N 24°34'04" W a distance of 14.26 feet to a point;
Thence N 57°12'45" W a distance of 20.25 feet to a point;
Thence S 65°16'10" W a distance of 33.13 feet to a point;
Thence N 05°25'11" E a distance of 41.80 feet to a point;
Thence N 57°09'53" E a distance of 33.29 feet to a point;
Thence N 75°36'56" E a distance of 35.60 feet to a point;
Thence N 23°00'43" E a distance of 25.05 feet to a point;
Thence N 32°05'43" E a distance of 19.09 feet to a point;
Thence N 12°36'19" E a distance of 16.11 feet to a point;
Thence N 69°29'56" W a distance of 18.85 feet to a point;
Thence N 30°20'56" W a distance of 14.61 feet to a point;
Thence N 27°07'23" E a distance of 17.94 feet to a point;
Thence N 12°06'47" E a distance of 15.35 feet to a point;
Thence N 55°34'41" E a distance of 27.70 feet to a point;
Thence N 27°54'47" E a distance of 19.39 feet to a point;
Thence N 21°07'46" E a distance of 22.45 feet to a point;
Thence N 68°31'27" E a distance of 26.45 feet to a point;
Thence N 55°16'00" E a distance of 15.87 feet to a point;
Thence N 51°56'24" E a distance of 27.37 feet to a point;
Thence N 48°50'25" E a distance of 45.92 feet to a point;
Thence N 05°37'43" E a distance of 18.31 feet to a point;
Thence N 59°34'07" W a distance of 27.18 feet to a point;
Thence N 03°29'32" E a distance of 19.28 feet to a point;
Thence N 76°46'08" E a distance of 15.57 feet to a point;
Thence N 84°19'17" E a distance of 28.69 feet to a point;
Thence S 63°33'34" E a distance of 8.75 feet to a point;
Thence S 57°38'33" E a distance of 12.72 feet to a point;
Thence S 74°28'36" E a distance of 20.83 feet to a point;

Thence N 60°27'07" E a distance of 28.96 feet to a point;
Thence N 47°16'24" E a distance of 27.12 feet to a point;
Thence N 50°56'20" W a distance of 24.96 feet to a point;
Thence N 84°45'43" W a distance of 36.27 feet to a point;
Thence S 50°34'47" W a distance of 32.47 feet to a point;
Thence N 45°10'30" W a distance of 21.17 feet to a point;
Thence N 22°38'13" E a distance of 26.23 feet to a point;
Thence N 20°54'11" E a distance of 22.84 feet to a point;
Thence N 50°39'15" E a distance of 17.18 feet to a point;
Thence N 32°55'57" E a distance of 22.96 feet to a point;
Thence N 41°13'51" W a distance of 17.21 feet to a point;
Thence N 30°59'37" W a distance of 9.70 feet to a point;
Thence N 57°32'12" E a distance of 28.98 feet to a point;
Thence S 48°35'50" E a distance of 23.64 feet to a point;
Thence S 45°21'47" E a distance of 24.12 feet to a point;
Thence S 61°16'28" E a distance of 26.94 feet to a point;
Thence S 37°49'16" E a distance of 19.04 feet to a point;
Thence S 31°44'11" E a distance of 20.33 feet to a point;
Thence S 30°04'59" E a distance of 26.04 feet to a point;
Thence S 20°53'17" E a distance of 18.57 feet to a point;
Thence N 79°14'53" E a distance of 12.90 feet to a point;

Thence three (3) calls with the lands of Parcel D S 33°50'45" E a distance of 101.60 feet to a point;
Thence S 22°57'29" E a distance of 429.26 feet to a point;
Thence S 22°57'29" E a distance of 60.78 feet to the true Point Of Beginning (P.O.B. B)

Said Parcel B having an area of 350,688 square feet or 8.05 acres more or less.

EXHIBIT C-1

DESCRIPTION OF LEASE PARCEL "C"

ATTACHED HERETO

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, S.C. CODE ANN. § 15-48-10 *ET SEQ*., AS AMENDED FROM TIME TO TIME

LEASE PARCEL C:

All that piece parcel tract of land known as Parcel C being a portion of Charleston County TMS 517-00-00-002, and being shown on a plat entitled “AN ALTA/NSPS LAND TITLE SURVEY OF PARCEL A, B, C, & D OWNED BY PATRIOT’S POINT DEVELOPMENT AUTHORITY”, prepared by Thomas & Hutton Engineering Co., dated March 25, 2026. Said property being more fully described as follows:

Commencing at the intersection of lease parcel lines of commitment parcel I (Parcel A of Patriots Point Development Authority property having Charleston County TMS 517-00-00-106 as recorded in deed book X115, at page 410), commitment parcel II (Parcels B, C & D of Patriots Point Development Authority property having Charleston County TMS 517-00-00-002 as recorded in deed book X115, at page 410) & Commitment Easement Parcel (60' Patriots Point Road Access Easement)

Thence two (2) calls with the property of Commitment Easement Parcel (60' Patriots Point Road Access Easement) a portion of TMS 517-00-00-001 and parcel D, a portion of Parcel B, C & D having Charleston County TMS 517-00-00-002 with the arc of a curve turning to the right, having an arc length of 257.91 feet, a radius of 535.12 feet, a chord length of 255.42 feet, and a chord bearing N 48°55'05" W to a 5/8” rebar found;
Thence N 30°16'57" W a distance of 17.53 feet to a 5/8” rebar found;

Said point being the true Point Of Beginning (P.O.B. PARCEL C)

Thence two (2) calls with the lands of Parcel D S 89°34'20" W a distance of 234.68 feet to a point;
Thence S 52°47'43" W a distance of 79.35 feet to a point;
Thence sixteen (16) calls with the lands of TMS 517-00-00-119 N 22°38'00" W a distance of 36.10 feet to a point;
Thence N 30°57'44" W a distance of 24.53 feet to a point;
Thence N 26°16'55" W a distance of 27.16 feet to a point;
Thence N 56°30'31" W a distance of 13.18 feet to a point;
Thence N 56°30'31" W a distance of 19.26 feet to a point;
Thence N 47°25'48" W a distance of 21.45 feet to a point;
Thence N 09°58'50" W a distance of 19.53 feet to a point;
Thence N 01°44'03" E a distance of 25.63 feet to a point;
Thence N 05°01'58" E a distance of 47.53 feet to a point;
Thence N 13°35'43" W a distance of 23.69 feet to a point;
Thence N 07°49'33" E a distance of 41.79 feet to a point;
Thence N 21°44'11" E a distance of 46.52 feet to a point;

Thence N 17°44'40" E a distance of 30.62 feet to a point;
Thence N 09°14'01" E a distance of 55.18 feet to a point;
Thence N 07°12'17" E a distance of 57.76 feet to a point;

Thence N 07°21'57" E a distance of 47.21 feet to a point;

Thence four (4) calls with the lands of Tract "B" & Pt "A" (Patriots Point Development Authority property having Charleston County TMS 517-00-00-001) N 89°34'41" E a distance of 90.60 feet to a 5/8” rebar found;

Thence S 11°13'39" W a distance of 208.74 feet to a 5/8” rebar found;
Thence S 12°28'51" E a distance of 201.47 feet to a 5/8” rebar found;
Thence N 89°37'03" E a distance of 206.14 feet to a 5/8” rebar found;
Thence one (1) call with Commitment Easement Parcel (60' Patriots Point Road Access Easement) S 30°16'54" E a distance of 57.38 feet to the true Point Of Beginning (P.O.B. PARCEL C).

Said Parcel C having an area of 59,555 square feet or 1.37 acres more or less.

ASSIGNMENT AND ASSUMPTION OF GROUND LEASES AND LANDLORD CONSENT

THIS ASSIGNMENT AND ASSUMPTION OF GROUND LEASES AND LANDLORD CONSENT (this "Assignment") is made and entered into effective as of the _____ day of _____, 2026 (the "Effective Date"), by and between **CHARLESTON HARBOR HOLDING COMPANY, LLC**, a South Carolina limited liability company (the "Assignor"), and **20 PATRIOTS POINT HOTEL, LLC**, a Delaware limited liability company (the "Assignee").

RECITALS:

WHEREAS, this Assignment is made pursuant to that certain Purchase and Sale Agreement dated April 27, 2026, by and between Assignor and Assignee (the "Agreement");

WHEREAS, Assignor is the tenant of the property described in that certain (i) Lease Agreement for Parcels "B, C and D" dated as of January 1, 1997, between Patriots Point Development Authority (the "Landlord") as lessor, and Gulf Stream Capital Associates, L.L.C., a Delaware limited liability company ("Gulf Stream"), as lessee, as assigned by Gulf Stream to Charleston Harbor Partners III Limited Partnership, a Delaware limited partnership ("CHP III"), pursuant to that certain Assignment of Ground Lease dated as of January 1, 1997, as further evidenced by that certain Short Form Lease dated as of January 1, 1997, by and between Landlord and CHP III, as amended pursuant to that certain First Amendment to Lease Agreement for Parcels "B, C and D" dated as of October 3, 1997, as amended pursuant to that certain Second Amendment to Lease Agreement for Parcels "B, C and D" dated as of April 20, 2000, as amended pursuant to that certain Third Amendment to Lease Agreement for Parcels "B, C and D" dated as of April 11, 2001, as amended pursuant to that certain Fourth Amendment to Lease Agreement for Parcels "B, C and D" dated as of June 14, 2001, as amended pursuant to that certain Fifth Amendment to Lease Agreement for Parcels "B, C and D" dated as of February 1, 2002, as assigned by CHP III to Great American Life Insurance Company, an Ohio insurance corporation ("Great American"), pursuant to that certain Assignment and Assumption of Lease Parcels "B, C and D" dated as of May 2, 2002, as amended pursuant to that certain Sixth Amendment to Lease Agreement for Parcels "B, C and D" dated as of November 18, 2003, as amended pursuant to that Settlement Agreement and Lease Amendment dated as of May 8, 2008, by and between Landlord, Great American, GINN-LA Fund IV Charleston PP Belvidere, LLC, a Georgia limited liability company, Charleston Harbor Marina, Inc., a South Carolina corporation ("CHM"), and GINN-LA Fund IV Charleston PP Land, LLC, a Georgia limited liability company, as amended pursuant to that certain Seventh Amendment to Lease Agreement for Parcels "B, C and D" dated as of May 8, 2008, as amended pursuant to that certain Eighth Amendment to Lease Agreement for Parcels "B, C and D" dated as of May 8, 2008, as amended pursuant to that certain Settlement Agreement and Lease Amendment dated as of May 28, 2021, by and between Landlord, Great American and American Financial Group, Inc., an Ohio corporation, as amended pursuant to that certain Ninth Amendment to Lease Agreement for Parcels "B, C and D" dated as of May 28, 2021, and as assigned by Great American to Assignor pursuant to that certain Assignment and Assumption of Lease Agreement Parcels "B, C & D" effective as of

May 31, 2021 (collectively, the "BCD Ground Lease"); and (ii) that certain Lease Agreement for Parcel "A" dated as of July 2, 1996, by and between Landlord, as lessor, and Gulf Stream, as lessee, as assigned by Gulf Stream to Charleston Harbor Partners I Limited Partnership, a Delaware limited partnership ("CHP I"), pursuant to that certain Assignment of Ground Lease dated as of July 2, 1996, as further evidenced by that certain Short Form Lease dated as of July 2, 1996, by and between the Landlord and CHP I, as amended pursuant to that certain First Amendment to Lease Agreement for Parcel "A" dated as of October 1, 1996, as amended pursuant to that certain Second Amendment to Lease Agreement for Parcel "A" dated as of October 3, 1997, as amended pursuant to that certain Third Amendment to Lease Agreement for Parcel "A" dated as of October 14, 1997, as amended pursuant to that certain Fourth Amendment to Lease Agreement for Parcel "A" dated as of April 20, 2000, as assigned by CHP I to Great American pursuant to that certain Assignment and Assumption of Lease Parcel A– The Hotel dated as of May 2, 2002, as amended pursuant to that Settlement Agreement and Lease Amendment dated as of May 8, 2008, by and between Landlord, Great American, GINN-LA Fund IV Charleston PP Belvidere, LLC, a Georgia limited liability company, CHM, and GINN-LA Fund IV Charleston PP Land, LLC, a Georgia limited liability company, as amended pursuant to that certain Fifth Amendment to Lease Agreement for Parcel A dated as of May 8, 2008, as amended pursuant to that certain Settlement Agreement and Lease Amendment dated as of May 28, 2021, by and between Landlord, Great American and American Financial Group, Inc., an Ohio corporation, and as assigned by Great American to Assignor pursuant to that certain Assignment and Assumption of Lease Agreement Parcel A – The Hotel effective as of May 31, 2021 (the "A Ground Lease," and collectively with the BCD Ground Lease, the "Ground Lease(s)"); and

WHEREAS, Assignor wishes to assign all of its right, title and interest in and to the Ground Leases and the leasehold estates thereunder, respectively, to Assignee, and Assignee has agreed to assume and perform all of Assignor's liabilities and obligations arising under the Ground Leases, respectively, on and after the Effective Date as set forth herein.

ASSIGNMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment. Assignor hereby assigns, grants, transfers, sets over and conveys to Assignee, its successors and assigns, all of Assignor's right, title and interest as tenant or lessee in, to and under the Ground Leases and the leasehold estates thereunder, respectively, TO HAVE AND TO HOLD the said Ground Leases, the estates created thereby, respectively, and any buildings and improvements thereon, respectively, unto Assignee, its successors and assigns forever. Assignor covenants that Assignor has title to each of the ground tenant's interest in and to the Ground Leases and will defend the same against the claims of any and all persons whomsoever claiming by, through or under Assignor.

2. Assumption and Agreement to be Bound. Assignee hereby assumes and agrees to be bound by all covenants, liabilities and obligations of Assignor under the Ground

Leases which relate to the periods on and after the Effective Date as and when performance is due on or after the Effective Date and agrees to perform all covenants, terms, conditions and obligations of Assignor under the Ground Leases, respectively, which are to be performed or which become due on or after the Effective Date, with the same force and effect as if Assignee had originally signed the Ground Leases as tenant. Assignee agrees that Landlord will have the right to enforce such covenants, terms, conditions and obligations directly against Assignee.

3. Improvements. Assignor does hereby ASSIGN, TRANSFER, SET OVER, and DELIVER to Assignee, all right, title and interest of Assignor, if any, in and to the buildings and permanent improvements (collectively, the "Improvements") located on (including underground) the property demised under each Ground Lease. By acceptance hereof, Assignee agrees that its ownership of the Improvements shall be subject to the terms and provisions of the applicable Ground Lease.

4. Assignor Estoppel Information. As an inducement for Assignee to enter into this Assignment, Assignor represents and warrants to Assignee the following: (a) each Ground Lease is in good standing and there are no defaults on the part of Assignor under such Ground Lease, and no event has occurred which would give rise to a default after notice or expiration of a cure period; (b) each Ground Lease, as applicable, is a complete statement of the agreement of the parties with respect to the leasing of the demised premises by Landlord to Assignor thereunder, and such Ground Lease is the only agreement in effect under which Assignor has leased the demised premises; (c) except for those modifications, assignments, and amendments to each Ground Lease attached hereto as Exhibit A and Exhibit B, there have been no modifications, assignments, or amendments to either Ground Lease; (d) each Ground Lease is in full force and effect; (e) there is no outstanding dispute between Landlord and Assignor under either Ground Lease; (f) Assignor has not been granted any concessions not set forth in the applicable Ground Lease; and (g) a true and complete copies (i) of the Parcel BCD Ground Lease is attached hereto as Exhibit A, and (ii) of the Parcel A Ground Lease is attached hereto as Exhibit B.

5. Assignee Notice Address. From and after the Effective Date, all notices to the tenant or ground lessee under each Ground Lease shall be delivered to Assignee at the following addresses, and otherwise in accordance with the terms of the applicable Ground Lease:

To Assignee:

_____
_____
_____

With a copy to:

_____
_____
_____

6. Further Assurances. The parties, for themselves, their administrators, successors-in-interest and permitted assigns, further covenant and agree that they shall, from time-to-time at the other's request and expense and without further consideration, execute, acknowledge and deliver any and all such other reasonable instruments of transfer, conveyance, assignment and consent and take such further action as the other may reasonably require to effect this Assignment.

7. Binding Effect. This Assignment will be binding upon, and will inure to the benefit of, Landlord, Assignor and Assignee, and their respective administrators, successors-in-interest and permitted assigns. This Assignment becomes effective only upon the execution of Landlord, Assignor and Assignee.

8. Governing Law. This Assignment and all claims and controversies hereunder shall be governed by and construed in accordance with the internal laws of the State of South Carolina, without regard to the choice of law provisions thereof.

9. Counterparts; Copies as Originals; Electronic Execution; Execution by Electronic Transmission. This Assignment and all other documents executed pursuant to the transactions contemplated by this Assignment may be executed in any number of counterparts which together shall constitute the agreement of the parties with respect to the document so executed. It shall not be necessary that the signatures of all of the parties appear on each counterpart hereof or thereof. All counterparts of a document shall collectively constitute a single document. A party's properly executed signature page containing the same document identification information for the Assignment or another document in a footer or header as the rest of the pages of the Assignment or such document is sufficient as the party's counterpart of this Assignment or the applicable document. For all purposes, a document signed electronically or signed and transmitted electronically by facsimile, telecopier, e-mail or otherwise shall be treated as an original document. The photocopied signature of any party on this Assignment or another document shall be considered an original signature, and a document transmitted shall be considered to have the same binding legal effect as an original signature on an original document. At the request of any party, any document transmitted electronically by facsimile, telecopier, e-mail or otherwise shall be re-executed by the parties in original form. No party hereto may raise the fact that any signature was transmitted through the use of electronic transmission (by facsimile, telecopier, e-mail or otherwise) as a defense to the enforcement of this Assignment or any amendment or any other document executed in compliance with this section.

10. Amendment; Waiver. This Assignment may not be amended, waived or otherwise modified except by a written instrument signed by the parties hereto with the Landlord's consent.

11. No Third-Party Beneficiaries. Except as otherwise expressly set forth in this Assignment, nothing in this Assignment shall be construed as giving any person, other than the parties hereto and their respective administrators, successors-in-interest and permitted assigns, any right, remedy or claim under or in respect of this Assignment or any provision hereof.

12. Jury Trial. **EACH OF THE PARTIES HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY EXPRESSLY WAIVES ANY RIGHT OR CLAIM IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THE GROUND LEASE OR THE SUBJECT MATTER HEREOF (A) TO A TRIAL BY JURY, AND/OR (B) TO INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR PUNITIVE OR EXEMPLARY DAMAGES.**

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption of Ground Leases to be duly executed as of the day and year first written above.

ASSIGNOR:

SIGNED, SEALED, AND DELIVERED IN THE PRESENCE OF:

CHARLESTON HARBOR HOLDING COMPANY, LLC, a South Carolina limited liability company

_____ By: _____
Name: _____ Name: _____
Title: _____

_____
Name: _____

STATE OF _____)
) **ACKNOWLEDGEMENT**
COUNTY OF _____)

On this _____ day of _____, 2026, before me personally appeared the within named _____, _____ of Charleston Harbor Holding Company, LLC, a South Carolina limited liability company, who acknowledged to me that he/she executed the foregoing instrument and who is personally known to me, or who was proved to me on the basis of satisfactory evidence, to be the person who executed the foregoing instrument.

_____ (SEAL)
Signature of Notary Public
Printed Name: _____
Notary Public for _____
My Commission Expires: _____

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption of Ground Leases to be duly executed as of the day and year first written above.

ASSIGNEE:

SIGNED, SEALED, AND DELIVERED IN THE PRESENCE OF:

20 PATRIOTS POINT HOTEL, LLC,
a Delaware limited liability company

_____
Name: _____

By: _____
Name: _____
Title: _____

_____
Name: _____

STATE OF _____)
) **ACKNOWLEDGEMENT**
COUNTY OF _____)

On this _____ day of _____, 2026, before me personally appeared the within named _____, _____ of 20 PATRIOTS POINT HOTEL, LLC, a Delaware limited liability company, who acknowledged to me that he/she executed the foregoing instrument and who is personally known to me, or who was proved to me on the basis of satisfactory evidence, to be the person who executed the foregoing instrument.

_____ (SEAL)
Signature of Notary Public
Printed Name: _____
Notary Public for _____
My Commission Expires: _____

Landlord Consent

Landlord hereby consents to the assignment, transfer, conveyance and relinquishment of Assignor's right, title, interest and estate in, to and under each Ground Lease to Assignee pursuant to the provisions thereof, which shall be effective upon the completion of all of the following:

(1) execution of the Assignment and Assumption of Ground Leases and Landlord Consent by Assignor and Assignee,

(2) payment of any and all applicable fees (including without limitation Transfer Fees) and expenses due to Landlord by Assignor and Assignee under the terms of each Ground Lease as set forth in the Transfer Fee Agreement Parcels B, C & D,

(3) execution of the Tenth Amendment to Lease Agreement for Parcels B, C and D,

(4) approval of the Tenth Amendment to Lease Agreement by the South Carolina Joint Bond Review Committee and/or the South Carolina State Fiscal Accountability Authority, as applicable,

(5) acknowledgment by the South Carolina State Fiscal Accountability Authority without objection to Landlord's consent to the within assignment,

(6) consent by the South Carolina State Fiscal Accountability Authority to the payment to PPDA of the Transfer Fee in connection with a transaction involving real property and

(7) execution of the Lease Guaranty in favor of Landlord.

Nothing in this Assignment shall be deemed a release or may be construed to release Assignor from any obligations of Assignor to Landlord under each Ground Lease.

The balance of this page is blank (excluding the footer).

LANDLORD:

SIGNED, SEALED, AND DELIVERED IN THE PRESENCE OF:

PATRIOTS POINT DEVELOPMENT AUTHORITY

_____ By: _____
Name: _____ Name: Wayne Adams
Title: Chairman

_____
Name: _____

STATE OF SOUTH CAROLINA)
) **ACKNOWLEDGEMENT**
COUNTY OF CHARLESTON)

On this _____ day of _____, 2026, before me personally appeared the within named Wayne Adams, Chairman of Patriots Point Development Authority, a body politic of the State of South Carolina, who acknowledged to me that he/she executed the foregoing instrument and who is personally known to me, or who was proved to me on the basis of satisfactory evidence, to be the person who executed the foregoing instrument.

_____ (SEAL)
Signature of Notary Public
Printed Name: _____
Notary Public for _____
My Commission Expires: _____

LANDLORD:

SIGNED, SEALED, AND DELIVERED IN THE PRESENCE OF:

PATRIOTS POINT DEVELOPMENT AUTHORITY

_____ By: _____
Name: _____ Name: Allison Hunt
Title: Secretary

_____
Name: _____

STATE OF SOUTH CAROLINA)
) **ACKNOWLEDGEMENT**
COUNTY OF CHARLESTON)

On this _____ day of _____, 2026, before me personally appeared the within named Allison Hunt, Secretary of PATRIOTS POINT DEVELOPMENT AUTHORITY, a body politic of the State of South Carolina, who acknowledged to me that he/she executed the foregoing instrument and who is personally known to me, or who was proved to me on the basis of satisfactory evidence, to be the person who executed the foregoing instrument.

_____ (SEAL)
Signature of Notary Public
Printed Name: _____
Notary Public for _____
My Commission Expires: _____

EXHIBIT A

Copy of Parcel BCD Ground Lease

EXHIBIT B

Copy of Parcel A Ground Lease

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND LANDLORD CONSENT

THIS ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND LANDLORD CONSENT (this "Assignment") is made and entered into effective as of the _____ day of _____, 2026 (the "Effective Date"), by and between **CHARLESTON HARBOR HOLDING COMPANY, LLC**, a South Carolina limited liability company (the "Assignor"), and **CHARLESTON HARBOR SMI, LLC, CHARLESTON HARBOR PROPCO SERIES**, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company ("PropCo"), **CHARLESTON HARBOR SMI, LLC, CHARLESTON HARBOR OPCO SERIES**, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company ("OpCo," and together with PropCo, individually and collectively the "Assignee"), as consented to by **PATRIOTS POINT DEVELOPMENT AUTHORITY**, a body politic of the State of South Carolina (the "Landlord").

RECITALS:

WHEREAS, this Assignment is made pursuant to that certain Purchase and Sale Agreement dated April 27, 2026, by and between Assignor and Assignee (the "Agreement");

WHEREAS, Assignor is the tenant of the property described in that (i) certain Lease Agreement for Parcel "B-1" dated as of January 1, 1997, between ("Landlord"), as lessor, and Gulf Stream Capital Associates, L.L.C., a Delaware limited liability company ("Gulfstream"), as lessee, as assigned by Gulf Stream to Charleston Harbor Partners II Limited Partnership, a Delaware limited partnership ("CHP II"), pursuant to that certain Assignment of Ground Lease dated as of January 1, 1997, as evidenced by that certain Short Form Lease dated January 1, 1997 by and between Ground Lessor and CHP II, as amended pursuant to that First Amendment to Lease Agreement dated as of October 1, 1997, as amended pursuant to that Second Amendment to Lease Agreement dated as of October 2, 1997, as amended pursuant to that Third Amendment to Lease Agreement dated as of October 3, 1997, as amended pursuant to that Fourth Amendment to Lease Agreement dated April 20, 2000 by and between Ground Lessor and CHP II, as assigned by CHP II to Charleston Harbor Marina, Inc., a South Carolina corporation ("CHM"), pursuant to that certain Assignment and Assumption of Lease dated as of May 2, 2002, as assigned by CHM to Great American Life Insurance Company, an Ohio insurance corporation ("Great American"), pursuant to that Assignment and Assumption of Lease Parcel B-1-The Marina dated December 31, 2006, as amended pursuant to that Settlement Agreement and Lease Amendment dated as of May 8, 2008 by and between Ground Lessor, Great American, GINN-LA Fund IV Charleston PP Belvidere, LLC, a Georgia limited liability company, CHM, and GINN-LA Fund IV Charleston PP Land, LLC, a Georgia limited liability company, as amended pursuant to that Fifth Amendment to Lease Agreement dated as of May 8, 2008, as amended pursuant to that Settlement Agreement and Lease Amendment dated as of May 28, 2021, as amended pursuant to that Sixth Amendment to Lease Agreement dated as of May 28, 2021, and as assigned by Great American to Assignor pursuant to that Assignment and Assumption of Lease dated as of May 28, 2021, as amended and assigned (the, "Ground Lease"); and

WHEREAS, Assignor wishes to assign all of its right, title and interest in and to the Ground Leases and the leasehold estates thereunder, respectively, to Assignee, and Assignee has agreed to assume and perform all of Assignor's liabilities and obligations arising under the Ground Leases, respectively, on and after the Effective Date as set forth herein.

ASSIGNMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment. Assignor hereby assigns, grants, transfers, sets over and conveys to Assignee, its successors and assigns, all of Assignor's right, title and interest as tenant or lessee in, to and under the Ground Lease and the leasehold estates thereunder, respectively, TO HAVE AND TO HOLD the said Ground Lease, the estates created thereby, respectively, and any buildings and improvements thereon, respectively, unto Assignee, its successors and assigns forever.

2. Assumption. Assignee hereby assumes all covenants, liabilities and obligations of Assignor under the Ground Lease which relate to the periods on and after the Effective Date as and when performance is due after the Effective Date and agrees to perform all covenants and obligations of Assignor under the Ground Lease, which are to be performed or which become due on or after the Effective Date. Assignee agrees that Landlord will have the right to enforce such covenants directly against Assignee.

3. Improvements. Assignor does hereby ASSIGN, TRANSFER, SET OVER, and DELIVER to Assignee, all right, title and interest of Assignor, if any, in and to the buildings and permanent improvements (collectively, the "Improvements") located on (including underground) the property demised under the Ground Lease. By acceptance hereof, Assignee agrees that its ownership of the Improvements shall be subject to the terms and provisions of the Ground Lease. By acceptance hereof, Assignee further hereby agrees that its ownership of the Improvements, together with all alterations thereto and any other improvements then existing on (including underground) the realty demised under the Ground Lease, will automatically revert to the then owner of such realty and the Landlord under the Ground Lease upon expiration or earlier termination of the Ground Lease, without compensation to Assignee and free and clear of all claims by Assignee.

4. Assignor Estoppel Information. As an inducement for Assignee to enter into this Assignment, Assignor represents and warrants to Assignee the following: (a) the Ground Lease is in good standing and to the best of Assignor's knowledge there are no defaults on the part of Assignor under such Ground Lease, and to the best of Assignor's knowledge, no event has occurred which would give rise to a default after notice or expiration of a cure period; (b) the Ground Lease, is a complete statement of the agreement of the parties with respect to the leasing of the demised premises by Landlord to Assignor thereunder, and such Ground Lease is the only agreement in effect under which Assignor has leased the demised premises; (c) Except for those modifications, assignments, and amendments to the Ground Lease attached hereto as Exhibit A, there have been no modifications, assignments, or amendments to either Ground Lease; (d) each Ground Lease is in full force and effect; (e) there is no outstanding dispute between Landlord and Assignor under the Ground Lease; (f) Assignor has not been granted any concessions not set forth in the Ground Lease; (g) a true and complete copy of the Parcel B-1 Ground Lease is attached hereto as Exhibit A; and (h) Except for those assignments attached to the Ground Lease on Exhibit A and the sublease to the College of Charleston, Assignor has not assigned the Ground Lease to any other person or entity.

5. Assignee Notice Address. From and after the Effective Date, all notices to the tenant or ground lessee under each Ground Lease shall be delivered to Assignee at the following addresses, and otherwise in accordance with the terms of the applicable Ground Lease:

To Assignee:

c/o Charleston Harbor SMI, LLC
17330 Preston Road, Suite 100C
Dallas, Texas 75252
Attention: Chris Petty
Telephone: 972-789-1400
Email: cpetty@suntex.com

With a copy to:

Spencer Fane LLP
2200 Ross Avenue, Suite 4800
Dallas, Texas 75201
Attention: Sarah Fandrey
Telephone: 214-765-6424
E-mail: sfandrey@spencerfane.com

6. Further Assurances. The parties, for themselves, their administrators, successors-in-interest and permitted assigns, further covenant and agree that they shall, from time-to-time at the other's request and expense and without further consideration, execute, acknowledge and deliver any and all such other instruments of transfer, conveyance, assignment and consent and take such further action as the other may reasonably require to effect this Assignment.

7. Binding Effect. This Assignment will be binding upon, and will inure to the benefit of, Landlord, Assignor and Assignee, and their respective administrators, successors-in-interest and permitted assigns. This Assignment becomes effective only upon the execution of Landlord, Assignor and Assignee.

8. Governing Law. This Assignment and all claims and controversies hereunder shall be governed by and construed in accordance with the internal laws of the State of South Carolina, without regard to the choice of law provisions thereof.

9. Counterparts; Copies as Originals; Electronic Execution; Execution by Electronic Transmission. This Assignment and all other documents executed pursuant to the transactions contemplated by this Assignment may be executed in any number of counterparts which together shall constitute the agreement of the parties with respect to the document so executed. It shall not be necessary that the signatures of all of the parties appear on each counterpart hereof or thereof. All counterparts of a document shall collectively constitute a single document. A party's properly executed signature page containing the same document identification information for the Assignment or another document in a footer or header as the rest of the pages of the Assignment or such document is sufficient as the party's counterpart of this Assignment or the applicable document. For all purposes, a document signed electronically or signed and transmitted electronically by facsimile, telecopier, e-mail or otherwise shall be treated as an original document. The photocopied signature of any party on this Assignment or another document shall be considered an original signature, and a document transmitted shall be considered to have the same binding legal effect as an original signature on an original document. At the request of any party,

any document transmitted electronically by facsimile, telecopier, e-mail or otherwise shall be re-executed by the parties in original form. No party hereto may raise the fact that any signature was transmitted through the use of electronic transmission (by facsimile, telecopier, e-mail or otherwise) as a defense to the enforcement of this Assignment or any amendment or any other document executed in compliance with this section.

10. Amendment; Waiver. This Assignment may not be amended, waived or otherwise modified except by a written instrument signed by the parties hereto with the Landlord's consent.

11. No Third-Party Beneficiaries. Except as otherwise expressly set forth in this Assignment, nothing in this Assignment shall be construed as giving any person, other than the parties hereto and their respective administrators, successors-in-interest and permitted assigns, any right, remedy or claim under or in respect of this Assignment or any provision hereof.

12. Jury Trial. **EACH OF THE PARTIES HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY EXPRESSLY WAIVES ANY RIGHT OR CLAIM IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THE GROUND LEASE OR THE SUBJECT MATTER HEREOF (A) TO A TRIAL BY JURY, AND/OR (B) TO INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR PUNITIVE OR EXEMPLARY DAMAGES.**

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption of Ground Lease to be duly executed as of the day and year first written above.

ASSIGNOR:

SIGNED, SEALED, AND DELIVERED IN THE PRESENCE OF:

CHARLESTON HARBOR HOLDING COMPANY, LLC, a South Carolina limited liability company

_____ By: _____
Name: _____ Name: _____
Title: _____

_____
Name: _____

STATE OF _____)
) **ACKNOWLEDGEMENT**
COUNTY OF _____)

On this _____ day of _____, 2026, before me personally appeared the within named _____, _____ of Charleston Harbor Holding Company, LLC, a South Carolina limited liability company, who acknowledged to me that he/she executed the foregoing instrument and who is personally known to me, or who was proved to me on the basis of satisfactory evidence, to be the person who executed the foregoing instrument.

_____ (SEAL)
Signature of Notary Public
Printed Name: _____
Notary Public for _____
My Commission Expires: _____

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption of Ground Lease to be duly executed as of the day and year first written above.

ASSIGNEE:

SIGNED, SEALED, AND DELIVERED IN THE PRESENCE OF:

CHARLESTON HARBOR SMI, LLC, CHARLESTON HARBOR PROPCO SERIES,
a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company

_____
Name: _____

By: _____
Name: _____
Title: _____

_____
Name: _____

STATE OF _____)
) **ACKNOWLEDGEMENT**
COUNTY OF _____)

On this _____ day of _____, 2026, before me personally appeared the within named _____, _____ of CHARLESTON HARBOR SMI, LLC, CHARLESTON HARBOR PROPCO SERIES, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company, who acknowledged to me that he/she executed the foregoing instrument and who is personally known to me, or who was proved to me on the basis of satisfactory evidence, to be the person who executed the foregoing instrument.

_____ (SEAL)
Signature of Notary Public
Printed Name: _____
Notary Public for _____
My Commission Expires: _____

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption of Ground Lease to be duly executed as of the day and year first written above.

ASSIGNEE:

SIGNED, SEALED, AND DELIVERED IN THE PRESENCE OF:

CHARLESTON HARBOR SMI, LLC, CHARLESTON HARBOR OPCO SERIES,
a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company

_____
Name: _____

By: _____
Name: _____
Title: _____

_____
Name: _____

STATE OF _____)
) **ACKNOWLEDGEMENT**
COUNTY OF _____)

On this _____ day of _____, 2026, before me personally appeared the within named _____, _____ of CHARLESTON HARBOR SMI, LLC, CHARLESTON HARBOR OPCO SERIES, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company, who acknowledged to me that he/she executed the foregoing instrument and who is personally known to me, or who was proved to me on the basis of satisfactory evidence, to be the person who executed the foregoing instrument.

_____ (SEAL)
Signature of Notary Public
Printed Name: _____
Notary Public for _____
My Commission Expires: _____

Landlord Consent

Landlord hereby consents to the assignment, transfer, conveyance and relinquishment of Assignor's right, title, interest and estate in, to and under the Ground Lease to Assignee pursuant to the provisions thereof, which shall be effective upon the completion of all of the following:

(1) execution of this Assignment and Assumption of Ground Leases and Landlord Consent by Assignor and Assignee,

(2) payment of any and all applicable fees (including without limitation Transfer Fees) and expenses due to Landlord by Assignor and Assignee under the terms of each Ground Lease as set forth in the Transfer Fee Agreement Parcel B-1,

(3) acknowledgment by the South Carolina State Fiscal Accountability Authority without objection to Landlord's consent to the within assignment,

(4) consent by the South Carolina State Fiscal Accountability Authority to the payment to PPDA of the Transfer Fee in connection with a transaction involving real property and

(7) execution of the Lease Guaranty in favor of Landlord.

Nothing in this Assignment shall be deemed a release or may be construed to release Assignor from any obligations of Assignor to Landlord under each Ground Lease.

The balance of this page is blank (excluding the footer).

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption of Ground Lease to be duly executed as of the day and year first written above.

LANDLORD:

SIGNED, SEALED, AND DELIVERED IN THE PRESENCE OF:

PATRIOTS POINT DEVELOPMENT AUTHORITY

_____ By: _____
Name: _____ Name: Wayne Adams, Chairman

_____
Name: _____

STATE OF SOUTH CAROLINA)
) **ACKNOWLEDGEMENT**
COUNTY OF CHARLESTON)

On this _____ day of _____, 2026, before me personally appeared the within named Wayne Adams, Chairman of Patriots Point Development Authority, a body politic of the State of South Carolina, who acknowledged to me that he/she executed the foregoing instrument and who is personally known to me, or who was proved to me on the basis of satisfactory evidence, to be the person who executed the foregoing instrument.

_____
(SEAL)
Signature of Notary Public
Printed Name: _____
Notary Public for _____
My Commission Expires: _____

LANDLORD:

SIGNED, SEALED, AND DELIVERED IN THE PRESENCE OF:

PATRIOTS POINT DEVELOPMENT AUTHORITY

_____ By: _____
Name: _____ Name: Allison Hunt
Title: Secretary

_____
Name: _____

STATE OF SOUTH CAROLINA)
) **ACKNOWLEDGEMENT**
COUNTY OF CHARLESTON)

On this _____ day of _____, 2026, before me personally appeared the within named Allison Hunt, Secretary of PATRIOTS POINT DEVELOPMENT AUTHORITY, a body politic of the State of South Carolina, who acknowledged to me that he/she executed the foregoing instrument and who is personally known to me, or who was proved to me on the basis of satisfactory evidence, to be the person who executed the foregoing instrument.

_____
(SEAL)
Signature of Notary Public
Printed Name: _____
Notary Public for _____
My Commission Expires: _____

EXHIBIT A

Copy of Parcel B-1 Ground Lease

STATE OF SOUTH CAROLINA	**)**	**TRANSFER FEE AGREEMENT**
	)	**PARCEL A**
COUNTY OF CHARLESTON	**)**	

THIS TRANSFER FEE AGREEMENT (herein referred to as "**TFA**") by and between **CHARLESTON HARBOR HOLDING COMPANY, LLC,** a South Carolina limited liability company, whose address is 301 East 4th Street, Cincinnati, Ohio 45202, Attn: Mark F. Muething, as "**Assignor**," **20 PATRIOTS POINT HOTEL, LLC,** a Delaware limited liability company, whose address is 1140 Reservoir Avenue, Cranston, Rhode Island 02920-6320, Attn: Ron Hadar, as "**Assignee**," and **PATRIOTS POINT DEVELOPMENT AUTHORITY**, a body politic and corporate under the laws of the State of South Carolina, whose address is 40 Patriots Point Road, Mt. Pleasant, SC 29464, Attn: Executive Director, as "**Landlord**."

1. **RECITALS.**

a. Landlord and Gulf Stream Capital Associates, L.L.C. ("**Original Tenant**") entered into a Lease Agreement for Parcel "A" dated as of July 2, 1996 (as amended, the "**Lease**") covering certain real property described in the Lease (Parcel A is also referred to as the "**Premises**" and known generally as the "**Hotel**");

b. Original Tenant assigned the Lease to Charleston Harbor Partners I Limited Partnership ("**First Successor Tenant**") pursuant to an Assignment of Ground Lease dated as of July 2, 1996;

c. First Successor Tenant assigned the Lease to Great American Life Insurance Company ("**Second Successor Tenant**") pursuant to an Assignment and Assumption of Lease Parcel A dated May 2, 2002, and recorded in Book D-405, Page 063 in the Office of the Charleston County Register of Deeds, Charleston County, South Carolina;

d. Second Successor Tenant assigned the Lease to Assignor pursuant to an Assignment and Assumption of Lease Agreement for Parcel A effective as of May 31, 2021 and recorded in Book 1062, Page 934 in the Office of the Charleston County Register of Deeds, Charleston County, South Carolina;

e. Assignor will assign the Lease to Assignee pursuant to that certain Assignment and Assumption of Lease Agreement for Parcel A to be effective as of _____, 2026, and to be recorded in the Office of the Charleston County Register of Deeds, Charleston County, South Carolina; and

f. Article XVII, Section H of the Lease (as added by the Fourth Amendment to the Lease and as provided in the Second Amendment to the Lease for Parcel BCD)

provides in part (emphasis added) as follows:

> [F]rom time to time at the closing of and simultaneously with each Assignment (as defined in Section H to Article XVII of this Lease) by Tenant . . . or successor to Tenant (collectively an "Assignor") . . . to an assignee (herein "Assignee") . . . , **the Assignee and Assignor shall be jointly and severally obligated to pay and shall pay to Landlord** (in the aggregate (allocated between Assignee and Assignor as they may agree; provided however, that such allocation shall not affect the joint and several obligation of the Assignor and Assignee to Landlord)) **a transfer fee (herein "Transfer Fee") equal to one percent (1%) of the Consideration for the Assignment** (as defined below).

g. As Assignor is assigning all of its right, title and interest in and to the Lease to Assignee, Assignor and Assignee are jointly and severally obligated to pay the Transfer Fee to Landlord pursuant to the terms of the Lease.

For and in consideration of the sum of Ten Dollars ($10.00) paid by Assignee to Assignor and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the Recitals which are a part of this TFA, and intending to be legally bound hereby, Assignor and Assignee agree as follows:

2. **Transfer Fee for Parcel A and Parcels B, C and D.** The Consideration for the Assignment of the Lease for **Parcel A** and the Assignment of the Lease for **Parcels BC&D** paid by Assignee to Assignor is a *total and cumulative amount* of **One Hundred Twelve Million Five Hundred Thousand and no/100ths Dollars ($112,500,000.00)**. Pursuant to **Article XVII (H)** of each parcel's respective lease, Assignor and Assignee shall pay a Transfer Fee to Landlord in the total amount of one percent (1%) of the Consideration for the Assignment (as defined in **Article XVII (H)** of each parcel's respective lease). Therefore, Assignor and Assignee hereby agree to pay a Transfer Fee to Landlord in the *total and cumulative amount for Parcel A and Parcels B, C and D* of **One Million One Hundred Twenty-Five Thousand and no/100ths Dollars ($1,125,000.00)**. The Transfer Fee is due at closing and simultaneously with the event that caused the assignment to become an "**Assignment**" as defined in **Subsection H of Article XVII** of the Lease.

3. **Binding Effect.** This TFA, the assumption of all obligations contained herein and all undertakings made pursuant hereto shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

4. **Applicable Law.** This TFA shall be governed by, and construed in accordance with, the laws of the State of South Carolina.

5. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

a. EACH OF THE PARTIES HERETO AGREES THAT IN ANY JUDICIAL, MEDIATION OR ARBITRATION PROCEEDING OR ANY CLAIM OR CONTROVERSY BETWEEN OR AMONG THEM THAT MAY ARISE OUT OF OR BE IN ANY WAY CONNECTED WITH THIS AGREEMENT, OR ANY OTHER AGREEMENT OR DOCUMENT BETWEEN OR AMONG THEM OR THE OBLIGATIONS EVIDENCED HEREBY OR RELATED HERETO, IN NO EVENT SHALL ANY PARTY HAVE A REMEDY OF, OR BE LIABLE TO THE OTHER FOR AND EACH OF THE PARTIES HEREBY EXPRESSLY WAIVES ANY RIGHT OR CLAIM TO, (1) INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR (2) PUNITIVE OR EXEMPLARY DAMAGES.

b. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY TO THIS AGREEMENT BY EXECUTION HEREOF KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY WITH RESPECT HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO THE PARTIES TO ACCEPT THIS AGREEMENT.

6. **Counterparts; Copies as Originals; Electronic Execution; Execution by Electronic Transmission.** This Agreement and all other documents executed pursuant to the transactions contemplated by this Agreement may be executed in any number of counterparts which together shall constitute the agreement of the parties with respect to the document so executed. It shall not be necessary that the signatures of all of the parties appear on each counterpart hereof or thereof. All counterparts of a document shall collectively constitute a single document. A party's properly executed signature page containing the same document identification information for the Agreement or another document in a footer or header as the rest of the pages of the Agreement or such document is sufficient as the party's counterpart of this Agreement or the applicable document. For all purposes, a document signed electronically or signed and transmitted electronically by facsimile, telecopier, e-mail or otherwise shall be treated as an original document. The photocopied signature of any party on this Agreement or another document shall be considered an original signature, and a document transmitted shall be considered to have the same binding legal effect as an original signature on an original document. At the request of any party, any document transmitted electronically by facsimile, telecopier, e-mail or otherwise shall be re-executed by the parties in original form. No party hereto may raise the fact that any signature was transmitted through the use of electronic transmission (by facsimile, telecopier, e-mail or otherwise) as a defense

to the enforcement of this Agreement or any amendment or any other document executed in compliance with this section.

7. **TFA Not to Be Recorded.** The parties agree that this TFA shall not be recorded in the Office of the Register of Deeds of Charleston County or the office of the South Carolina Secretary of State; provided however, that to the extent that compliance with any rule or law requires the disclosure of the information set forth in this TFA, any party hereto shall have the right to make such disclosure.

IN WITNESS WHEREOF, the parties hereto have agreed to the terms hereof and have caused this TFA and Assumption of Lease Agreement – Parcel A to be executed to be effective as of the ___ day of _____, 2026 (the "**Effective Date**").

[The remainder of this page is intentionally left blank.]
[Signature pages attached.]

SIGNATURE PAGE

Witnesses to Assignor:

ASSIGNOR:

CHARLESTON HARBOR HOLDING COMPANY, LLC, a South Carolina limited liability company

By: _____
Mark F. Muething, President

Date: _____

STATE OF OHIO)
)
COUNTY OF HAMILTON)

ACKNOWLEDGMENT

I, _____, Notary Public for the State of Ohio, do hereby certify that **Mark F. Muething**, as **President** of **CHARLESTON HARBOR HOLDING COMPANY, LLC**, a South Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 2026.

_____(SEAL)
Notary Public in and for Ohio
My Commission expires _____

Witnesses to Assignee:

ASSIGNEE:

20 PATRIOTS POINT HOTEL, LLC,
a Delaware limited liability company

By: _____

Print Name: _____

Print Title: _____

Date: _____

STATE OF _____)
)
COUNTY OF _____)

ACKNOWLEDGMENT

I, _____, Notary Public for the State of _____, do hereby certify that **_____(Name)**, as **_____(Title)** of **20 PATRIOTS POINT HOTEL, LLC**, a Delaware limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 2026.

_____(SEAL)
Notary Public in and for _____
My Commission expires _____

Witnesses to Landlord:

LANDLORD:

PATRIOTS POINT DEVELOPMENT AUTHORITY, a body politic and corporate under the laws of the State of South Carolina

By: _____
Wayne Adams, Chairman

Date: _____

STATE OF SOUTH CAROLINA)
) **ACKNOWLEDGMENT**
COUNTY OF CHARLESTON)

I, _____, Notary Public for the State of South Carolina, do hereby certify that **Wayne Adams**, as **Chairman** of **PATRIOTS POINT DEVELOPMENT AUTHORITY**, a body politic and corporate under the laws of the State of South Carolina, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 2026.

_____(SEAL)
Notary Public in and for South Carolina
My Commission expires _____

Witnesses to Landlord:

FOR THE LANDLORD:

PATRIOTS POINT DEVELOPMENT AUTHORITY, a body politic and corporate under the laws of the State of South Carolina

By: _____
Allison Hunt, Secretary

Date: _____

STATE OF SOUTH CAROLINA)
) **ACKNOWLEDGMENT**
COUNTY OF CHARLESTON)

I, _____, Notary Public for the State of South Carolina, do hereby certify that **Allison Hunt**, as **Secretary** of **PATRIOTS POINT DEVELOPMENT AUTHORITY**, a body politic and corporate under the laws of the State of South Carolina, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 2026.

_____(SEAL)
Notary Public in and for South Carolina
My Commission expires _____

STATE OF SOUTH CAROLINA	**)**	**TRANSFER FEE AGREEMENT**
	)	**PARCELS B, C and D**
COUNTY OF CHARLESTON	**)**	

THIS TRANSFER FEE AGREEMENT (herein referred to as "**TFA**") by and between **CHARLESTON HARBOR HOLDING COMPANY, LLC,** a South Carolina limited liability company, whose address is 301 East 4th Street, Cincinnati, Ohio 45202, Attn: Mark F. Muething, as "**Assignor**," **20 PATRIOTS POINT HOTEL, LLC,** a Delaware limited liability company, whose address is 1140 Reservoir Avenue, Cranston, Rhode Island 02920-6320, Attn: Ron Hadar, as "**Assignee**," and **PATRIOTS POINT DEVELOPMENT AUTHORITY**, a body politic and corporate under the laws of the State of South Carolina, whose address is 40 Patriots Point Road, Mt. Pleasant, SC 29464, Attn: Executive Director, as "**Landlord**."

1. **RECITALS.**

a. Landlord and Gulf Stream Capital Associates, L.L.C. ("**Original Tenant**") entered into a Lease Agreement for Parcels "B, C and D" dated as of January 1, 1997 (as amended, the "**Lease**") covering certain real property described in the Lease (Parcels B, C and D is also referred to as the "**Premises**");

b. Original Tenant assigned the Lease to Charleston Harbor Partners III Limited Partnership ("**First Successor Tenant**") pursuant to an Assignment of Ground Lease dated as of January 1, 1997;

c. First Successor Tenant assigned the Lease to Great American Life Insurance Company ("**Second Successor Tenant**") pursuant to an Assignment and Assumption of Lease Agreement for Parcels B, C and D dated May 2, 2002 and recorded in Book D-405, Page 044 in the Office of the Charleston County Register of Deeds, Charleston County, South Carolina;

d. Second Successor Tenant assigned the Lease to Assignor pursuant to an Assignment and Assumption of Lease Agreement for Parcels B, C and D effective as of May 31, 2021 and recorded in Book 1062, Page 932 in the Office of the Charleston County Register of Deeds, Charleston County, South Carolina

e. Assignor will assign the Lease to Assignee pursuant to that certain Assignment and Assumption of Lease Agreement for Parcels B, C and D effective as of _____, 2026, and to be recorded in the Office of the Charleston County Register of Deeds, Charleston County, South Carolina;

f. Article XVII, Section H of the Lease (as added by the Second Amendment to the Lease and as provided in the Fourth Amendment to the Lease for Parcel A) provides in part (emphasis added) as follows:

> [F]rom time to time at the closing of and simultaneously with each Assignment (as defined in Section H to Article XVII of this Lease) by Tenant . . . or successor to Tenant (collectively an "Assignor") . . . to an assignee (herein "Assignee") . . . , **the Assignee and Assignor shall be jointly and severally obligated to pay and shall pay to Landlord** (in the aggregate (allocated between Assignee and Assignor as they may agree; provided however, that such allocation shall not affect the joint and several obligation of the Assignor and Assignee to Landlord)) **a transfer fee (herein "Transfer Fee") equal to one percent (1%) of the Consideration for the Assignment** (as defined below).

g. As Assignor is assigning all of its right, title and interest in and to the Lease to Assignee, Assignor and Assignee are jointly and severally obligated to pay the Transfer Fee to Landlord pursuant to the terms of the Lease.

For and in consideration of the sum of Ten Dollars ($10.00) paid by Assignee to Assignor and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the Recitals which are a part of this TFA, and intending to be legally bound hereby, Assignor and Assignee agree as follows:

2. **Transfer Fee for Parcel A and Parcels B, C and D.** The Consideration for the Assignment of the Lease for **Parcel A** and the Assignment of the Lease for **Parcels BC&D** paid by Assignee to Assignor is a *total and cumulative amount* of **One Hundred Twelve Million Five Hundred Thousand and no/100ths Dollars ($112,500,000.00)**. Pursuant to **Article XVII (H)** of each parcel's respective lease, Assignor and Assignee shall pay a Transfer Fee to Landlord in the total amount of one percent (1%) of the Consideration for the Assignment (as defined in **Article XVII (H)** of each parcel's respective lease). Therefore, Assignor and Assignee hereby agree to pay a Transfer Fee to Landlord in the *total and cumulative amount for Parcel A and Parcels B, C and D* of **One Million One Hundred Twenty-Five Thousand and no/100ths Dollars ($1,125,000.00)**. The Transfer Fee is due at closing and simultaneously with the event that caused the assignment to become an "**Assignment**" as defined in **Subsection H of Article XVII** of the Lease.

3. **Binding Effect.** This TFA, the assumption of all obligations contained herein and all undertakings made pursuant hereto shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

4. **Applicable Law.** This TFA shall be governed by, and construed in accordance with, the laws of the State of South Carolina.

5. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

a. EACH OF THE PARTIES HERETO AGREES THAT IN ANY JUDICIAL, MEDIATION OR ARBITRATION PROCEEDING OR ANY CLAIM OR CONTROVERSY BETWEEN OR AMONG THEM THAT MAY ARISE OUT OF OR BE IN ANY WAY CONNECTED WITH THIS AGREEMENT, OR ANY OTHER AGREEMENT OR DOCUMENT BETWEEN OR AMONG THEM OR THE OBLIGATIONS EVIDENCED HEREBY OR RELATED HERETO, IN NO EVENT SHALL ANY PARTY HAVE A REMEDY OF, OR BE LIABLE TO THE OTHER FOR AND EACH OF THE PARTIES HEREBY EXPRESSLY WAIVES ANY RIGHT OR CLAIM TO, (1) INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR (2) PUNITIVE OR EXEMPLARY DAMAGES.

b. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY TO THIS AGREEMENT BY EXECUTION HEREOF KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY WITH RESPECT HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO THE PARTIES TO ACCEPT THIS AGREEMENT.

6. **Counterparts; Copies as Originals; Electronic Execution; Execution by Electronic Transmission.** This Agreement and all other documents executed pursuant to the transactions contemplated by this Agreement may be executed in any number of counterparts which together shall constitute the agreement of the parties with respect to the document so executed. It shall not be necessary that the signatures of all of the parties appear on each counterpart hereof or thereof. All counterparts of a document shall collectively constitute a single document. A party's properly executed signature page containing the same document identification information for the Agreement or another document in a footer or header as the rest of the pages of the Agreement or such document is sufficient as the party's counterpart of this Agreement or the applicable document. For all purposes, a document signed electronically or signed and transmitted electronically by facsimile, telecopier, e-mail or otherwise shall be treated as an original document. The photocopied signature of any party on this Agreement or another document shall be considered an original signature, and a document transmitted shall be considered to have the same binding legal effect as an original signature on an original document. At the request of any party, any document transmitted electronically by facsimile, telecopier, e-mail or otherwise shall be re-executed by the parties in original form. No party hereto may raise the fact that any signature was transmitted through the use of electronic transmission (by facsimile, telecopier, e-mail or otherwise) as a defense to the enforcement of this Agreement or any amendment or any other document executed

in compliance with this section.

7. **TFA Not to Be Recorded.** The parties agree that this TFA shall not be recorded in the Office of the Register of Deeds of Charleston County or the office of the South Carolina Secretary of State; provided however, that to the extent that compliance with any rule or law requires the disclosure of the information set forth in this TFA, any party hereto shall have the right to make such disclosure.

IN WITNESS WHEREOF, the parties hereto have agreed to the terms hereof and have caused this TFA and Assumption of Lease Agreement – Parcels B, C and D to be executed to be effective as of the ___ day of _____, 2026 (the "**Effective Date**").

[The remainder of this page is intentionally left blank.]
[Signature pages attached.]

SIGNATURE PAGE

Witnesses to Assignor:

ASSIGNOR:

CHARLESTON HARBOR HOLDING COMPANY, LLC, a South Carolina limited liability company

By: _____
Mark F. Muething, President

Date: _____

STATE OF OHIO)
)
COUNTY OF HAMILTON)

ACKNOWLEDGMENT

I, _____, Notary Public for the State of Ohio, do hereby certify that **Mark F. Muething**, as **President** of **CHARLESTON HARBOR HOLDING COMPANY, LLC**, a South Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 2026.

_____(SEAL)
Notary Public in and for Ohio
My Commission expires _____

Witnesses to Assignee:

ASSIGNEE:

20 PATRIOTS POINT HOTEL, LLC,
a Delaware limited liability company

By: _____

Print Name: _____

Print Title: _____

Date: _____

STATE OF _____)
) ACKNOWLEDGMENT
COUNTY OF _____)

I, _____, Notary Public for the State of _____, do hereby certify that **_____(Name)**, as **_____(Title)** of **20 PATRIOTS POINT HOTEL, LLC**, a Delaware limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 2026.

_____(SEAL)
Notary Public in and for _____
My Commission expires _____

Witnesses to Landlord:

LANDLORD:

PATRIOTS POINT DEVELOPMENT AUTHORITY, a body politic and corporate under the laws of the State of South Carolina

By: _____
Wayne Adams, Chairman

Date: _____

STATE OF SOUTH CAROLINA)
) **ACKNOWLEDGMENT**
COUNTY OF CHARLESTON)

I, _____, Notary Public for the State of South Carolina, do hereby certify that **Wayne Adams**, as **Chairman** of **PATRIOTS POINT DEVELOPMENT AUTHORITY**, a body politic and corporate under the laws of the State of South Carolina, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 2026.

_____(SEAL)
Notary Public in and for South Carolina
My Commission expires _____

Witnesses to Landlord:

FOR THE LANDLORD:

PATRIOTS POINT DEVELOPMENT AUTHORITY, a body politic and corporate under the laws of the State of South Carolina

By: _____
Allison Hunt, Secretary

Date: _____

STATE OF SOUTH CAROLINA)
) **ACKNOWLEDGMENT**
COUNTY OF CHARLESTON)

I, _____, Notary Public for the State of South Carolina, do hereby certify that **Allison Hunt**, as **Secretary** of **PATRIOTS POINT DEVELOPMENT AUTHORITY**, a body politic and corporate under the laws of the State of South Carolina, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 2026.

_____(SEAL)
Notary Public in and for South Carolina
My Commission expires _____

STATE OF SOUTH CAROLINA	**)**	**TRANSFER FEE AGREEMENT**
	)	**PARCEL B-1 - The Marina**
COUNTY OF CHARLESTON	**)**	

THIS TRANSFER FEE AGREEMENT (herein referred to as "**TFA**") by and between **CHARLESTON HARBOR HOLDING COMPANY, LLC,** a South Carolina limited liability company, whose address is 301 East 4th Street, Cincinnati, Ohio 45202, Attn: Mark F. Muething, as "**Assignor**," **CHARLESTON HARBOR SMI, LLC, CHARLESTON HARBOR PROPCO SERIES**, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company, and **CHARLESTON HARBOR SMI, LLC, CHARLESTON HARBOR OPCO SERIES**, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company, whose addresses are 17330 Preston Road, Suite 100C, Dallas, Texas 75252, Attn: Chris Petty, collectively as "**Assignee**," and **PATRIOTS POINT DEVELOPMENT AUTHORITY**, a body politic and corporate under the laws of the State of South Carolina, whose address is 40 Patriots Point Road, Mt. Pleasant, SC 29464, Attn: Executive Director, as "**Landlord**."

1. **RECITALS.**

a. Landlord and Assignor as ultimate successor in interest to Gulf Stream Capital Associates, L.L.C. ("**Original Tenant**") entered into a Lease Agreement for Parcel "B-1" dated as of January 1, 1997 (as amended, the "**Lease**") covering certain real property described in the Lease (Parcel B-1 is also referred to as the "**Premises**" and known generally as the "**Marina**");

b. Original Tenant assigned the Lease to Charleston Harbor Partners II Limited Partnership ("**First Successor Tenant**") pursuant to an Assignment of Ground Lease (Marina Parcel) dated as of January 1, 1997, as further evidenced by that certain Short Form Lease dated January 1, 1997, by and between Landlord and First Successor Tenant;

c. First Successor Tenant assigned the Lease to Charleston Harbor Marina, Inc. ("**Second Successor Tenant**") pursuant to an Assignment and Assumption of Lease Parcel B-1 – The Marina dated May 2, 2002, and recorded in Book D-405, Page 053 in the Office of the Charleston County Register of Deeds, Charleston County, South Carolina;

d. Second Successor Tenant assigned the Lease to Great American Life Insurance Company ("**Third Successor Tenant**") pursuant to an Assignment and Assumption of Lease Agreement for Parcel B-1 Marina dated December 31, 2006 and recorded contemporaneously herewith in the Office of the Charleston County Register of Deeds, Charleston County, South Carolina;

e. Third Successor Tenant assigned the Lease to Assignor pursuant to an

Assignment and Assumption of Lease Agreement for Parcel B-1 effective as of May 31, 2021 and recorded in Book 1062, Page 937 in the Office of the Charleston County Register of Deeds, Charleston County, South Carolina

f. Assignor will assign the Lease to Assignee pursuant to that certain Assignment and Assumption of Ground Lease and Landlord Consent for Parcel B-1 effective as of _____, 2026, and to be recorded in the Office of the Charleston County Register of Deeds, Charleston County, South Carolina; and

g. As Assignor is assigning all of its right, title and interest in and to the Lease to Assignee, Assignor and/or Assignee shall pay a Transfer Fee to Landlord pursuant to the terms of the Lease.

For and in consideration of the sum of Ten Dollars ($10.00) paid by Assignee to Assignor and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the Recitals which are a part of this TFA, and intending to be legally bound hereby, Assignor and Assignee agree as follows:

2. **Transfer Fee.** The Consideration for the Assignment of the Lease for Parcel B-1 paid by Assignee to Assignor is **Seventy Million and no/100ths Dollars ($70,000,000.00)**. Pursuant to **Article XVII (H)** of the Lease, Assignor and Assignee shall pay a Transfer Fee to Landlord in the amount of one percent (1%) of the Consideration for the Assignment (as defined in **Article XVII (H)** of the Lease). Therefore, Assignor and Assignee hereby agree to pay a Transfer Fee to Landlord in the amount of **Seven Hundred Thousand and no/100ths Dollars ($700,000.00)**. Such Transfer Fee is due simultaneously with the event that caused the assignment to become an "**Assignment**" as defined in **Subsection H of Article XVII** of the Lease. Pursuant to **Article XVII (H)** of the Lease, the Transfer Fee may be allocated between Assignor and Assignee as they may agree. Accordingly, Assignor and Assignee each agree to pay one-half (1/2) of the Transfer Fee, in the amount of Three Hundred Fifty Thousand and no/100ths Dollars ($350,000.00) each, for a total Transfer Fee of Seven Hundred Thousand and no/100ths Dollars ($700,000.00).

3. **Binding Effect.** This TFA, the assumption of all obligations contained herein and all undertakings made pursuant hereto shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

4. **Applicable Law.** This TFA shall be governed by, and construed in accordance with, the laws of the State of South Carolina.

5. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

a. EACH OF THE PARTIES HERETO AGREES THAT IN ANY JUDICIAL, MEDIATION OR ARBITRATION PROCEEDING OR ANY CLAIM OR CONTROVERSY BETWEEN OR AMONG THEM THAT MAY ARISE OUT

OF OR BE IN ANY WAY CONNECTED WITH THIS AGREEMENT, OR ANY OTHER AGREEMENT OR DOCUMENT BETWEEN OR AMONG THEM OR THE OBLIGATIONS EVIDENCED HEREBY OR RELATED HERETO, IN NO EVENT SHALL ANY PARTY HAVE A REMEDY OF, OR BE LIABLE TO THE OTHER FOR AND EACH OF THE PARTIES HEREBY EXPRESSLY WAIVES ANY RIGHT OR CLAIM TO, (1) INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR (2) PUNITIVE OR EXEMPLARY DAMAGES.

b. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY TO THIS AGREEMENT BY EXECUTION HEREOF KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY WITH RESPECT HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO THE PARTIES TO ACCEPT THIS AGREEMENT.

6. **Counterparts; Copies as Originals; Electronic Execution; Execution by Electronic Transmission.** This Agreement and all other documents executed pursuant to the transactions contemplated by this Agreement may be executed in any number of counterparts which together shall constitute the agreement of the parties with respect to the document so executed. It shall not be necessary that the signatures of all of the parties appear on each counterpart hereof or thereof. All counterparts of a document shall collectively constitute a single document. A party's properly executed signature page containing the same document identification information for the Agreement or another document in a footer or header as the rest of the pages of the Agreement or such document is sufficient as the party's counterpart of this Agreement or the applicable document. For all purposes, a document signed electronically or signed and transmitted electronically by facsimile, telecopier, e-mail or otherwise shall be treated as an original document. The photocopied signature of any party on this Agreement or another document shall be considered an original signature, and a document transmitted shall be considered to have the same binding legal effect as an original signature on an original document. At the request of any party, any document transmitted electronically by facsimile, telecopier, e-mail or otherwise shall be re-executed by the parties in original form. No party hereto may raise the fact that any signature was transmitted through the use of electronic transmission (by facsimile, telecopier, e-mail or otherwise) as a defense to the enforcement of this Agreement or any amendment or any other document executed in compliance with this section.

IN WITNESS WHEREOF, the parties hereto have agreed to the terms hereof and have caused this TFA and Assumption of Lease Agreement – Parcel B-1 to be executed to be effective as of the ___ day of _____, 2026 (the "**Effective Date**").

[The remainder of this page is intentionally left blank.]
[Signature pages attached.]

SIGNATURE PAGE

Witnesses to Assignor:

ASSIGNOR:

CHARLESTON HARBOR HOLDING COMPANY, LLC, a South Carolina limited liability company

By: _____
Mark F. Muething, President

Sign Name: _____
Print Name: _____

Date: _____

Sign Name: _____
Print Name:_____

STATE OF OHIO)
)
COUNTY OF HAMILTON)

ACKNOWLEDGMENT

I, _____, Notary Public for the State of Ohio, do hereby certify that **Mark F. Muething**, as **President** of **CHARLESTON HARBOR HOLDING COMPANY, LLC**, a South Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 2026.

_____(SEAL)
Notary Public in and for Ohio
My Commission expires _____

Witnesses to Assignee:

ASSIGNEE:

CHARLESTON HARBOR SMI, LLC, CHARLESTON HARBOR PROPCO SERIES, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company

By: _____

Sign Name: _____
Print Name: _____

Print Name: _____

Print Title: _____

Sign Name:_____
Print Name: _____

Date: _____

STATE OF _____)
)
COUNTY OF _____)

ACKNOWLEDGMENT

I, _____, Notary Public for the State of _____, do hereby certify that **_____(Name)**, as **_____(Title)** of **CHARLESTON HARBOR SMI, LLC, CHARLESTON HARBOR PROPCO SERIES**, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 2026.

_____(SEAL)
Notary Public in and for _____
My Commission expires _____

Witnesses to Assignee:

ASSIGNEE:

CHARLESTON HARBOR SMI, LLC, CHARLESTON HARBOR OPCO SERIES, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company

By: _____

Sign Name: _____
Print Name: _____

Print Name: _____

Print Title: _____

Sign Name:_____
Print Name: _____

Date: _____

STATE OF _____)
)
COUNTY OF _____)

ACKNOWLEDGMENT

I, _____, Notary Public for the State of _____, do hereby certify that _____ **(Name)**, as _____ **(Title)** of **CHARLESTON HARBOR SMI, LLC, CHARLESTON HARBOR OPCO SERIES**, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 2026.

_____(SEAL)
Notary Public in and for _____
My Commission expires _____

Witnesses to Landlord:

LANDLORD:

PATRIOTS POINT DEVELOPMENT AUTHORITY, a body politic and corporate under the laws of the State of South Carolina

By: _____
Wayne Adams, Vice Chairman

Date: _____

Sign Name: _____
Print Name: _____

Sign Name: _____
Print Name:_____

STATE OF SOUTH CAROLINA)
) **ACKNOWLEDGMENT**
COUNTY OF CHARLESTON)

I, _____, Notary Public for the State of South Carolina, do hereby certify that **Wayne Adams**, as **Vice Chairman** of **PATRIOTS POINT DEVELOPMENT AUTHORITY**, a body politic and corporate under the laws of the State of South Carolina, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 2026.

_____(SEAL)
Notary Public in and for South Carolina
My Commission expires _____

Witnesses to Landlord:

FOR THE LANDLORD:

PATRIOTS POINT DEVELOPMENT AUTHORITY, a body politic and corporate under the laws of the State of South Carolina

By: _____
Allison Hunt, Secretary

Date: _____

Sign Name: _____
Print Name: _____

Sign Name: _____
Print Name:_____

STATE OF SOUTH CAROLINA)
) **ACKNOWLEDGMENT**
COUNTY OF CHARLESTON)

I, _____, Notary Public for the State of South Carolina, do hereby certify that **Allison Hunt**, as **Secretary** of **PATRIOTS POINT DEVELOPMENT AUTHORITY**, a body politic and corporate under the laws of the State of South Carolina, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such entity.

SWORN and subscribed to before me this ____ day of _____, 2026.

_____(SEAL)
Notary Public in and for South Carolina
My Commission expires _____

LEASE GUARANTY

THIS LEASE GUARANTY ("**Guaranty**") is made as of the _____day of _____, 2026 (the "Effective Date"), by **TH INVESTMENT HOLDINGS II, LLC**, a Delaware limited liability company, whose mailing address is _____("Guarantor"), for the benefit of **Patriots Point Development Authority**, a public body corporate and agency of the State of South Carolina, whose mailing address is 40 Patriots Point Road, Mt. Pleasant, South Carolina 29464 ("**Landlord**").

WITNESSETH:

WHEREAS, **Charleston Harbor Holding Company, LLC**, a South Carolina limited liability company, whose address is 301 East 4th Street, Cincinnati, Ohio 45202 ("**Current Tenant**"), a subsidiary of American Financial Group, Inc., an Ohio Corporation, whose mailing address is 301 East Fourth Street, Cincinnati, Ohio 45202 is the tenant under that certain Lease Agreement for Parcel "B, C & D" dated January 1, 1997 (as amended or assigned, the "**Parcels B, C & D Lease**"), pursuant to an Assignment and Assumption of Lease Agreement for Parcel B, C & D effective as of May 31, 2021;

WHEREAS, **Current Tenant** also is the tenant under that certain Lease Agreement for Parcel "A" dated July 2, 1996 (as amended or assigned, the "**Parcel A Lease**"), pursuant to an Assignment and Assumption of Lease Agreement for Parcel A effective as of May 31, 2021;

WHEREAS, the **Parcels B, C & D Lease** and the **Parcel A Lease** may be referred to collectively as the "**Leases**;"

WHEREAS, Current Tenant desires to assign all of its right, title and interest in and to the Leases to **20 Patriots Point Hotel, LLC,** a Delaware limited liability company, whose address is _____ ("**Assignee**" or the "**Tenant**"), pursuant to that certain Assignment and Assumption of Lease Ground Lease and Landlord Consent, attached hereto as Exhibit A (the "**Assignment**"), and to be executed by Landlord consistent with Section 1, herein;

WHEREAS, Landlord has required, as a condition of its consent to the Assignment, that Guarantor execute and deliver this Guaranty; and

NOW, THEREFORE, and as an inducement for the execution and delivery by Landlord of the Assignment, and in further consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration paid by Landlord to the Guarantor, the receipt and sufficiency of which are hereby agreed and acknowledged, Guarantor agrees as follows:

1. Landlord's Consent to Assignment. Guarantor shall execute and deliver to Landlord this Guaranty prior to Landlord delivering to Assignee its consent to the Assignment; provided that the Guaranty will only be effective upon Landlord's execution and delivery to Guarantor of the consent to Assignment, and Assignee's execution and delivery to Landlord of the Assignment.

2. Defined Terms.

(a) "**Capex Investment**" means capital expenditures, in the aggregate amount of not less than Four Million Five Hundred Fifty Thousand and 00/100 Dollars ($4,550,000.00), invested by or on behalf of Assignee in capital improvements to the Premises, as defined in the Lease, during the twenty-four (24) month period commencing on and immediately following the effective date (the "**Assignment Date**") of the Assignment (the "**Capex Period**"). For purposes of this definition, "capital expenditures" shall mean hard and soft costs of construction, installation, permitting, and related professional fees.

(b) "**Capital Contribution**" means the contribution of not less than One Million Four Hundred Thousand and 00/100 Dollars ($1,400,000.00) in cash equity capital by Guarantor to Assignee, to be made on or before the effective date of the Assignment.

(c) "**Release Conditions**" has the meaning set forth in Section 5 hereof.

3. Guaranty.

(a) Guaranty of Capex Investment. Guarantor hereby unconditionally and irrevocably guarantees to Landlord, its successors and assigns that the Capex Investment will be made within the Capex Period. If, as of the expiration of the Capex Period, the aggregate capital expenditures invested in the Premises by or on behalf of Tenant are less than $4,550,000, Guarantor shall, within thirty (30) days of written demand by Landlord accompanied by reasonable documentation of the shortfall, pay directly to Tenant (with written notice to Landlord of such payment) an amount equal to the difference between $4,550,000 and the aggregate capital expenditures actually made and documented by Tenant during the Capex Period, to be applied by Tenant to capital improvements at the Premises.

(b) Guaranty of Capital Contribution. Guarantor hereby unconditionally and irrevocably guarantees to Landlord the timely funding of the Capital Contribution on or before the Assignment Date. If the Capital Contribution is not made on or before Assignment Date, Guarantor shall, within five (5) business days of written demand by Landlord, pay directly to Assignee (with written notice to Landlord of such payment) the amount of any shortfall below $1,400,000, or, at Landlord's election, Landlord may declare the consent to Assignment void and of no force or effect

(c) Guaranty of General Lease Performance. Subject to the terms of Section 5, and solely during the period commencing on the Effective Date and continuing until the occurrence of the Release Conditions (the "**Guaranty Period**"), Guarantor hereby unconditionally and irrevocably guarantees to the Landlord, its successors and assigns the full and prompt payment of Rent and any and all other sums and charges payable by Tenant pursuant to the Lease ("**Monetary Obligations**"), and the full and timely performance and observance of all other covenants, terms, conditions and agreements of the Lease to be performed and observed by Tenant ("**Other Lease Obligations**"). If, during the Guaranty Period, Tenant defaults in the payment of any Monetary Obligations when due and payable, or if Tenant defaults in the

performance and observance of any Other Lease Obligations, and such default remains uncured beyond the applicable notice and cure period set forth in the Lease, Guarantor agrees that it shall forthwith pay such Monetary Obligations to Landlord, and Guarantor agrees that it shall forthwith faithfully perform and fulfill all of such Other Lease Obligations, and Guarantor further agrees that it shall forthwith pay to Landlord all damages that may arise in consequence of any default by Tenant under the Lease, including, without limitation, all reasonable attorneys' fees and disbursements incurred by Landlord as the result or consequence of any such default and/or the enforcement of this Guaranty.

(e) If at any time the term "Guarantor" shall include more than one (1) person or entity, the obligations of such persons and/or entities under this Guaranty shall be joint and several.

4. The obligations of Guarantor under: (a) Section 3(a) constitute an absolute and unconditional guaranty of performance (in the nature of a completion guaranty); (b) Section 3(b) constitute an absolute and unconditional guaranty of payment (and not collection); (c) Sections 3(a) and 3(b) shall each be enforceable against Guarantor without the necessity for instituting any legal proceedings on Landlord's part of any kind or nature whatsoever against Tenant and without the necessity of any notice of non-payment, nonperformance or nonobservance, or of any notice of acceptance of this Guaranty or any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives with respect to such obligations; and (d) Section 3(c) constitute a limited guaranty of payment and performance, enforceable solely during the Guaranty Period, and subject to: (i) the expiration of the applicable notice and cure periods afforded Tenant under the Lease prior to enforcement; and (ii) automatic termination upon satisfaction of the Release Conditions as set forth in Section 5. Guarantor hereby agrees that the validity of this Guaranty and the obligations of the Guarantor hereunder shall not be terminated, affected, diminished or impaired by reason of the assertion, or the failure to assert, by Landlord against Tenant of any of the rights or remedies reserved to Landlord pursuant to the provisions of the Lease or by reason of any non-liability of Tenant of its obligations pursuant to the Lease, whether by insolvency, discharge in bankruptcy or any other defect or defense in favor of Tenant. Upon completion of the Release Conditions set forth in Section 5, this Guaranty shall terminate in its entirety and be of no further force or effect.

5. Burn-Off and Release. The obligations of Guarantor under Section 3(c) shall automatically terminate upon the satisfaction of all of the following (the "**Release Conditions**"): (a) Guarantor shall have either: (i) made the Capex Investment in accordance with this Guaranty; or (ii) paid to Tenant the full amount owed pursuant to Landlord's exercise of its remedies under Section 3(a); and (b) Guarantor shall have either: (i) made the Capital Contribution in accordance with this Guaranty, or (ii) paid to Landlord or Tenant, as applicable, the full amount required pursuant to Landlord's exercise of remedies under Section 3(b). Upon satisfaction of the Release Conditions, this Guaranty shall terminate in its entirety and be of no further force or effect, and within ten (10) business days of written request by Guarantor following satisfaction of the Release Conditions, Landlord shall execute and deliver a written release of Guarantor from all obligations under this Guaranty in form reasonably acceptable to Guarantor; provided that

Landlord's failure to timely deliver such release shall not affect the automatic termination of this Guaranty upon satisfaction of the Release Conditions.

6. This Guaranty shall be a continuing Guaranty, and the liability of Guarantor hereunder shall not be terminated, affected, modified or diminished by reason of any assignment, renewal, modification or extension of the Lease or by reason of any modification or waiver of or change in any of the terms, covenants, conditions or provisions of the Lease by Landlord and Tenant, or by reason of any extension of time that may be granted by Landlord to Tenant or by reason of any dealings or transactions or matter or thing occurring between Landlord and Tenant or by reason of any bankruptcy, insolvency, reorganization, arrangement, assignment for the benefit of creditors, receivership or trusteeship affecting Tenant, whether or not notice thereof or of any thereof is given to Guarantor. Notwithstanding the foregoing, the obligations under Section 3(c) shall be continuing only during the Guaranty Period and shall terminate upon satisfaction of the Release Conditions as provided in Section 5.

7. If Landlord becomes obligated by any bankruptcy or other law to repay Tenant or Guarantor or any trustee, receiver or other representative of either of them, any amounts previously paid to Landlord pursuant to the Lease, then this Guaranty shall be reinstated in the amount of such repayments made by Landlord, to the extent such amounts relate to obligations guaranteed hereunder. Landlord shall not be required to institute any legal proceedings or otherwise dispute its obligations to make such repayments if it in good faith believes that such obligations exist.

8. Any delay on the part of Landlord in exercising any right, power or privilege under this Guaranty or any failure of Landlord to exercise the same shall not operate as a waiver of or otherwise affect any such right, power or privilege, and any single or partial exercise thereof shall not preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

9. Any waiver or modification of any provision of this Guaranty or a termination of this Guaranty shall not be effective unless in writing and signed by Landlord. Any waiver given by Landlord shall be applicable only to the specific instance for which it is given.

10. Guarantor agrees that in lieu of any right to indemnification that Guarantor might have against Tenant, which right is hereby waived, Guarantor shall be subrogated to the rights of Landlord to the extent that Guarantor fully satisfies and discharges the Monetary Obligations and the Other Lease Obligations. Such right of subrogating shall be Guarantor's sole remedy against Tenant.

11. Guarantor agrees that within ten (10) business days following written request by Landlord, Guarantor shall execute, acknowledge and deliver to Landlord a statement certifying that this Guaranty is unmodified and in full force and effect (or if there have been modifications, that same is in full force and effect as modified and stating such modification). Guarantor agrees that such certificate may be relied on by anyone holding or proposing to acquire any interest in

the leased Premises from or through Landlord or any existing or prospective Mortgagee or existing or prospective Overlessor.

12. Guarantor warrants and represents to Landlord that Guarantor has the legal right and capacity to execute and deliver this Guaranty. In the event that this Guaranty shall be held ineffective or unenforceable by any court of competent jurisdiction, then Guarantor shall be deemed to be a tenant under the Lease with the same force and effect as if Guarantor were expressly named as a joint tenant therein.

13. All of Landlord's rights and remedies under the Lease and under this Guaranty are intended to be distinct, separate and cumulative, and such rights and remedies set forth in the Lease and in this Guaranty are not intended to be in exclusion of or a waiver of any other rights and remedies available to Landlord.

14. As a further inducement to Landlord to make and enter into the Lease and in consideration thereof, Landlord and the Guarantor covenant and agree that in any action or proceeding brought on, under or by virtue of this Guaranty, Landlord and Guarantor shall and do hereby waive trial by jury.

15. This Guaranty may be executed and delivered in counterparts, each of which shall be deemed to be a duplicate original hereof. This Guaranty may also be executed in multiple counterparts and shall be effective when counterparts hereof, when taken together, bear the signatures of or on behalf of all of the parties comprising Guarantor.

16. This Guaranty shall be governed exclusively by the provisions hereof and by the internal laws of the State of South Carolina without regard to the principles of conflicts of law.

17. The terms "Landlord," "Tenant" and "Guarantor" as used herein shall be deemed to include the respective successors, assigns, heirs, administrators, executors and representatives of each thereof, subject, however, to the provisions of the Lease.

18. Capitalized terms used but not defined in this Guaranty shall have the respective meanings assigned such terms in the Lease. Notwithstanding any termination of the Lease, the provisions thereof that define terms used in this Guaranty shall survive any such termination to the extent necessary to interpret words and phrases used in this Guaranty.

19. This Guaranty shall be binding upon Guarantor, its successors, assigns, heirs, administrators, executors and representatives and shall inure to the benefit of Landlord, its successors, assigns, heirs, administrators, executors and representatives.

20. Representations of Guarantor. Guarantor represents and warrants to Landlord that, at the time of the execution and delivery of this Guaranty:

(a) Nothing exists to impair the effectiveness of the obligations of Guarantor to Landlord hereunder, or the immediate taking effect of this Guaranty between Guarantor and Landlord;

(b) Guarantor is not in default under any agreement, the effect of which could materially and adversely affect performance of its obligations under this Guaranty; and

(c) There are no actions, suits or proceedings pending or, to Guarantor's actual knowledge, threatened against the Guarantor before any court or any other governmental authority of any kind which would reasonably be expected to materially and adversely affect performance of Guarantor's obligations under this Guaranty.

(d) Guarantor has the financial capacity to fund the Capital Contribution and, together with Tenant, to make the Capex Investment within the Capex Period

21. Assignment of Guaranty. Landlord may, without notice, assign this Guaranty in whole or in part, and no assignment of this Guaranty shall operate to extinguish or diminish the liability of Guarantor hereunder.

22. Primary Liability of Guarantor. The liability of Guarantor under this Guaranty shall be primary and not secondary and Landlord may, at its option, proceed directly against Guarantor or any security granted to Landlord without having to commence any action, or having obtained any judgment against Assignee. Notwithstanding the foregoing, Landlord shall only be permitted to pursue its remedies or otherwise proceed against Guarantor following the expiration of the notice and cure periods afforded Assignee in the Lease.

23. Notices. Any notice or demand given or made under this Guaranty shall be given or made by mailing the same by certified mail or national overnight courier to the party to whom the notice or demand is given or made at the address of such party set forth in this Guaranty.

24. Attorneys' Fees Reasonably Incurred. Guarantor agrees that if Landlord shall employ counsel to present, enforce or defend any or all of Landlord's rights or remedies hereunder, then, in any such event, the undersigned shall pay any attorneys' fees and expense reasonably incurred by Landlord in such action.

THIS SPACE INTENTIONALLY LEFT BLANK
SIGNATURE TO FOLLOW

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed under seal as of the date first above written.

GUARANTOR:

TH INVESTMENT HOLDINGS II, LLC,
a Delaware limited liability company,

By: _____

Its: _____

[Seal]

SWORN to and subscribed before me this ____ day of_____ , 202___.

Signature: _____

Print Name: _____

Notary Public for_____

My commission expires _____(SEAL)

LEASE GUARANTY

THIS LEASE GUARANTY ("**Guaranty**") is made as of the _____day of _____, 2026 (the "Effective Date"), by **Suntex Marina Investors, LLC**, a Delaware limited liability company, whose mailing address is _____("Guarantor"), for the benefit of **Patriots Point Development Authority**, a public body corporate and agency of the State of South Carolina, whose mailing address is 40 Patriots Point Road, Mt. Pleasant, South Carolina 29464 ("**Landlord**").

WITNESSETH:

WHEREAS, **Charleston Harbor Holding Company, LLC**, a South Carolina limited liability company, whose address is 301 East 4th Street, Cincinnati, Ohio 45202 ("**Current Tenant**"), a subsidiary of American Financial Group, Inc., an Ohio Corporation, whose mailing address is 301 East Fourth Street, Cincinnati, Ohio 45202 is the tenant under that certain Lease Agreement for Parcel "B-1" dated January 1, 1997 (as amended or assigned, the "**Lease**"), pursuant to an Assignment and Assumption of Lease Agreement for Parcel B-1 effective as of May 31, 2021;

WHEREAS, Current Tenant desires to assign all of its right, title and interest in and to the Lease to **Charleston Harbor SMI, LLC, Charleston Harbor PropCo Series**, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company, whose address is _____ ("**PropCo**"), and **Charleston Harbor SMI, LLC, Charleston Harbor OpCo Series**, a registered series of Charleston Harbor SMI, LLC, a Delaware series limited liability company, whose address is _____ ("**OpCo**," and together with PropCo the "**Assignee**" or the "**Tenant**"), pursuant to that certain Assignment and Assumption of Lease Ground Lease and Landlord Consent, attached hereto as Exhibit A (the "**Assignment**"), and to be executed by Landlord consistent with Section 1, herein;

WHEREAS, Landlord has required, as a condition of its consent to the Assignment, that Guarantor execute and deliver this Guaranty; and

NOW, THEREFORE, and as an inducement for the execution and delivery by Landlord of the Assignment, and in further consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration paid by Landlord to the Guarantor, the receipt and sufficiency of which are hereby agreed and acknowledged, Guarantor agrees as follows:

1. Landlord's Consent to Assignment. Guarantor shall execute and deliver to Landlord this Guaranty prior to Landlord delivering to Assignee its consent to the Assignment; provided that the Guaranty will only be effective upon Landlord's execution and delivery to Guarantor of the consent to Assignment, and Assignee's execution and delivery to Landlord of the Assignment.

2. Defined Terms.

(a) "**Capex Investment**" means capital expenditures, in the aggregate amount of not less than Two Million Nine Hundred Thousand and 00/100 Dollars ($2,900,000.00), invested by or on behalf of Assignee in capital improvements to the Premises, as defined in the Lease, during the twenty-four (24) month period commencing on and immediately following the effective date (the "**Assignment Date**") of the Assignment (the "**Capex Period**"). For purposes of this definition, "capital expenditures" shall mean hard and soft costs of construction, installation, permitting, and related professional fees.

(b) "**Capital Contribution**" means the contribution of not less than Five Hundred Thousand and 00/100 Dollars ($500,000.00) in equity capital by Guarantor to Assignee, to be made on or before the effective date of the Assignment.

(c) "**Release Conditions**" has the meaning set forth in Section 5 hereof.

3. Guaranty.

(a) Guaranty of Capex Investment. Guarantor hereby unconditionally and irrevocably guarantees to Landlord, its successors and assigns that the Capex Investment will be made within the Capex Period. If, as of the expiration of the Capex Period, the aggregate capital expenditures invested in the Premises by or on behalf of Tenant are less than $2,900,000, Guarantor shall, within thirty (30) days of written demand by Landlord accompanied by reasonable documentation of the shortfall, pay directly to Tenant (with written notice to Landlord of such payment) an amount equal to the difference between $2,900,000 and the aggregate capital expenditures actually made and documented by Tenant during the Capex Period, to be applied by Tenant to capital improvements at the Premises.

(b) Guaranty of Capital Contribution. Guarantor hereby unconditionally and irrevocably guarantees to Landlord the timely funding of the Capital Contribution on or before the Assignment Date. If the Capital Contribution is not made on or before Assignment Date, Guarantor shall, within five (5) business days of written demand by Landlord, pay directly to Assignee (with written notice to Landlord of such payment) the amount of any shortfall below $500,000, or, at Landlord's election, Landlord may declare the consent to Assignment void and of no force or effect

(c) Guaranty of General Lease Performance. Subject to the terms of Section 5, and solely during the period commencing on the Effective Date and continuing until the occurrence of the Release Conditions (the "**Guaranty Period**"), Guarantor hereby unconditionally and irrevocably guarantees to the Landlord, its successors and assigns the full and prompt payment of Rent and any and all other sums and charges payable by Tenant pursuant to the Lease ("**Monetary Obligations**"), and the full and timely performance and observance of all other covenants, terms, conditions and agreements of the Lease to be performed and observed by Tenant ("**Other Lease Obligations**"). If, during the Guaranty Period, Tenant defaults in the payment of any Monetary Obligations when due and payable, or if Tenant defaults in the performance and observance of any Other Lease Obligations, and such default remains uncured beyond the applicable notice and cure period set forth in the Lease, Guarantor agrees that it shall forthwith pay such Monetary Obligations to Landlord, and Guarantor agrees that it shall

forthwith faithfully perform and fulfill all of such Other Lease Obligations, and Guarantor further agrees that it shall forthwith pay to Landlord all damages that may arise in consequence of any default by Tenant under the Lease, including, without limitation, all reasonable attorneys' fees and disbursements incurred by Landlord as the result or consequence of any such default and/or the enforcement of this Guaranty.

(e) If at any time the term "Guarantor" shall include more than one (1) person or entity, the obligations of such persons and/or entities under this Guaranty shall be joint and several.

4. The obligations of Guarantor under: (a) Section 3(a) constitute an absolute and unconditional guaranty of performance (in the nature of a completion guaranty); (b) Section 3(b) constitute an absolute and unconditional guaranty of payment (and not collection); (c) Sections 3(a) and 3(b) shall each be enforceable against Guarantor without the necessity for instituting any legal proceedings on Landlord's part of any kind or nature whatsoever against Tenant and without the necessity of any notice of non-payment, nonperformance or nonobservance, or of any notice of acceptance of this Guaranty or any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives with respect to such obligations; and (d) Section 3(c) constitute a limited guaranty of payment and performance, enforceable solely during the Guaranty Period, and subject to: (i) the expiration of the applicable notice and cure periods afforded Tenant under the Lease prior to enforcement; and (ii) automatic termination upon satisfaction of the Release Conditions as set forth in Section 5. Guarantor hereby agrees that the validity of this Guaranty and the obligations of the Guarantor hereunder shall not be terminated, affected, diminished or impaired by reason of the assertion, or the failure to assert, by Landlord against Tenant of any of the rights or remedies reserved to Landlord pursuant to the provisions of the Lease or by reason of any non-liability of Tenant of its obligations pursuant to the Lease, whether by insolvency, discharge in bankruptcy or any other defect or defense in favor of Tenant. Upon completion of the Release Conditions set forth in Section 5, this Guaranty shall terminate in its entirety and be of no further force or effect.

5. Burn-Off and Release. The obligations of Guarantor under Section 3(c) shall automatically terminate upon the satisfaction of all of the following (the "**Release Conditions**"): (a) Guarantor shall have either: (i) made the Capex Investment in accordance with this Guaranty; or (ii) paid to Tenant the full amount owed pursuant to Landlord's exercise of its remedies under Section 3(a); and (b) Guarantor shall have either: (i) made the Capital Contribution in accordance with this Guaranty, or (ii) paid to Landlord or Tenant, as applicable, the full amount required pursuant to Landlord's exercise of remedies under Section 3(b). Upon satisfaction of the Release Conditions, this Guaranty shall terminate in its entirety and be of no further force or effect, and within ten (10) business days of written request by Guarantor following satisfaction of the Release Conditions, Landlord shall execute and deliver a written release of Guarantor from all obligations under this Guaranty in form reasonably acceptable to Guarantor; provided that Landlord's failure to timely deliver such release shall not affect the automatic termination of this Guaranty upon satisfaction of the Release Conditions.

6. This Guaranty shall be a continuing Guaranty, and the liability of Guarantor hereunder shall not be terminated, affected, modified or diminished by reason of any assignment, renewal, modification or extension of the Lease or by reason of any modification or waiver of or change in any of the terms, covenants, conditions or provisions of the Lease by Landlord and Tenant, or by reason of any extension of time that may be granted by Landlord to Tenant or by reason of any dealings or transactions or matter or thing occurring between Landlord and Tenant or by reason of any bankruptcy, insolvency, reorganization, arrangement, assignment for the benefit of creditors, receivership or trusteeship affecting Tenant, whether or not notice thereof or of any thereof is given to Guarantor. Notwithstanding the foregoing, the obligations under Section 3(c) shall be continuing only during the Guaranty Period and shall terminate upon satisfaction of the Release Conditions as provided in Section 5.

7. If Landlord becomes obligated by any bankruptcy or other law to repay Tenant or Guarantor or any trustee, receiver or other representative of either of them, any amounts previously paid to Landlord pursuant to the Lease, then this Guaranty shall be reinstated in the amount of such repayments made by Landlord, to the extent such amounts relate to obligations guaranteed hereunder. Landlord shall not be required to institute any legal proceedings or otherwise dispute its obligations to make such repayments if it in good faith believes that such obligations exist.

8. Any delay on the part of Landlord in exercising any right, power or privilege under this Guaranty or any failure of Landlord to exercise the same shall not operate as a waiver of or otherwise affect any such right, power or privilege, and any single or partial exercise thereof shall not preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

9. Any waiver or modification of any provision of this Guaranty or a termination of this Guaranty shall not be effective unless in writing and signed by Landlord. Any waiver given by Landlord shall be applicable only to the specific instance for which it is given.

10. Guarantor agrees that in lieu of any right to indemnification that Guarantor might have against Tenant, which right is hereby waived, Guarantor shall be subrogated to the rights of Landlord to the extent that Guarantor fully satisfies and discharges the Monetary Obligations and the Other Lease Obligations. Such right of subrogating shall be Guarantor's sole remedy against Tenant.

11. Guarantor agrees that within ten (10) business days following written request by Landlord, Guarantor shall execute, acknowledge and deliver to Landlord a statement certifying that this Guaranty is unmodified and in full force and effect (or if there have been modifications, that same is in full force and effect as modified and stating such modification). Guarantor agrees that such certificate may be relied on by anyone holding or proposing to acquire any interest in the leased Premises from or through Landlord or any existing or prospective Mortgagee or existing or prospective Overlessor.

12. Guarantor warrants and represents to Landlord that Guarantor has the legal right and capacity to execute and deliver this Guaranty. In the event that this Guaranty shall be held

ineffective or unenforceable by any court of competent jurisdiction, then Guarantor shall be deemed to be a tenant under the Lease with the same force and effect as if Guarantor were expressly named as a joint tenant therein.

13. All of Landlord's rights and remedies under the Lease and under this Guaranty are intended to be distinct, separate and cumulative, and such rights and remedies set forth in the Lease and in this Guaranty are not intended to be in exclusion of or a waiver of any other rights and remedies available to Landlord.

14. As a further inducement to Landlord to make and enter into the Lease and in consideration thereof, Landlord and the Guarantor covenant and agree that in any action or proceeding brought on, under or by virtue of this Guaranty, Landlord and Guarantor shall and do hereby waive trial by jury.

15. This Guaranty may be executed and delivered in counterparts, each of which shall be deemed to be a duplicate original hereof. This Guaranty may also be executed in multiple counterparts and shall be effective when counterparts hereof, when taken together, bear the signatures of or on behalf of all of the parties comprising Guarantor.

16. This Guaranty shall be governed exclusively by the provisions hereof and by the internal laws of the State of South Carolina without regard to the principles of conflicts of law.

17. The terms "Landlord," "Tenant" and "Guarantor" as used herein shall be deemed to include the respective successors, assigns, heirs, administrators, executors and representatives of each thereof, subject, however, to the provisions of the Lease.

18. Capitalized terms used but not defined in this Guaranty shall have the respective meanings assigned such terms in the Lease. Notwithstanding any termination of the Lease, the provisions thereof that define terms used in this Guaranty shall survive any such termination to the extent necessary to interpret words and phrases used in this Guaranty.

19. This Guaranty shall be binding upon Guarantor, its successors, assigns, heirs, administrators, executors and representatives and shall inure to the benefit of Landlord, its successors, assigns, heirs, administrators, executors and representatives.

20. Representations of Guarantor. Guarantor represents and warrants to Landlord that, at the time of the execution and delivery of this Guaranty:

(a) Nothing exists to impair the effectiveness of the obligations of Guarantor to Landlord hereunder, or the immediate taking effect of this Guaranty between Guarantor and Landlord;

(b) Guarantor is not in default under any agreement, the effect of which could materially and adversely affect performance of its obligations under this Guaranty; and

(c) There are no actions, suits or proceedings pending or, to Guarantor's actual knowledge, threatened against the Guarantor before any court or any other governmental

authority of any kind which would reasonably be expected to materially and adversely affect performance of Guarantor's obligations under this Guaranty.

(d) Guarantor has the financial capacity to fund the Capital Contribution and, together with Tenant, to make the Capex Investment within the Capex Period

21. Assignment of Guaranty. Landlord may, without notice, assign this Guaranty in whole or in part, and no assignment of this Guaranty shall operate to extinguish or diminish the liability of Guarantor hereunder.

22. Primary Liability of Guarantor. The liability of Guarantor under this Guaranty shall be primary and not secondary and Landlord may, at its option, proceed directly against Guarantor or any security granted to Landlord without having to commence any action, or having obtained any judgment against Assignee. Notwithstanding the foregoing, Landlord shall only be permitted to pursue its remedies or otherwise proceed against Guarantor following the expiration of the notice and cure periods afforded Assignee in the Lease.

23. Notices. Any notice or demand given or made under this Guaranty shall be given or made by mailing the same by certified mail or national overnight courier to the party to whom the notice or demand is given or made at the address of such party set forth in this Guaranty.

24. Attorneys' Fees Reasonably Incurred. Guarantor agrees that if Landlord shall employ counsel to present, enforce or defend any or all of Landlord's rights or remedies hereunder, then, in any such event, the undersigned shall pay any attorneys' fees and expense reasonably incurred by Landlord in such action.

THIS SPACE INTENTIONALLY LEFT BLANK
SIGNATURE TO FOLLOW

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed under seal as of the date first above written.

GUARANTOR:

Suntex Marina Investors, LLC

By: _____

Its: _____

[Seal]

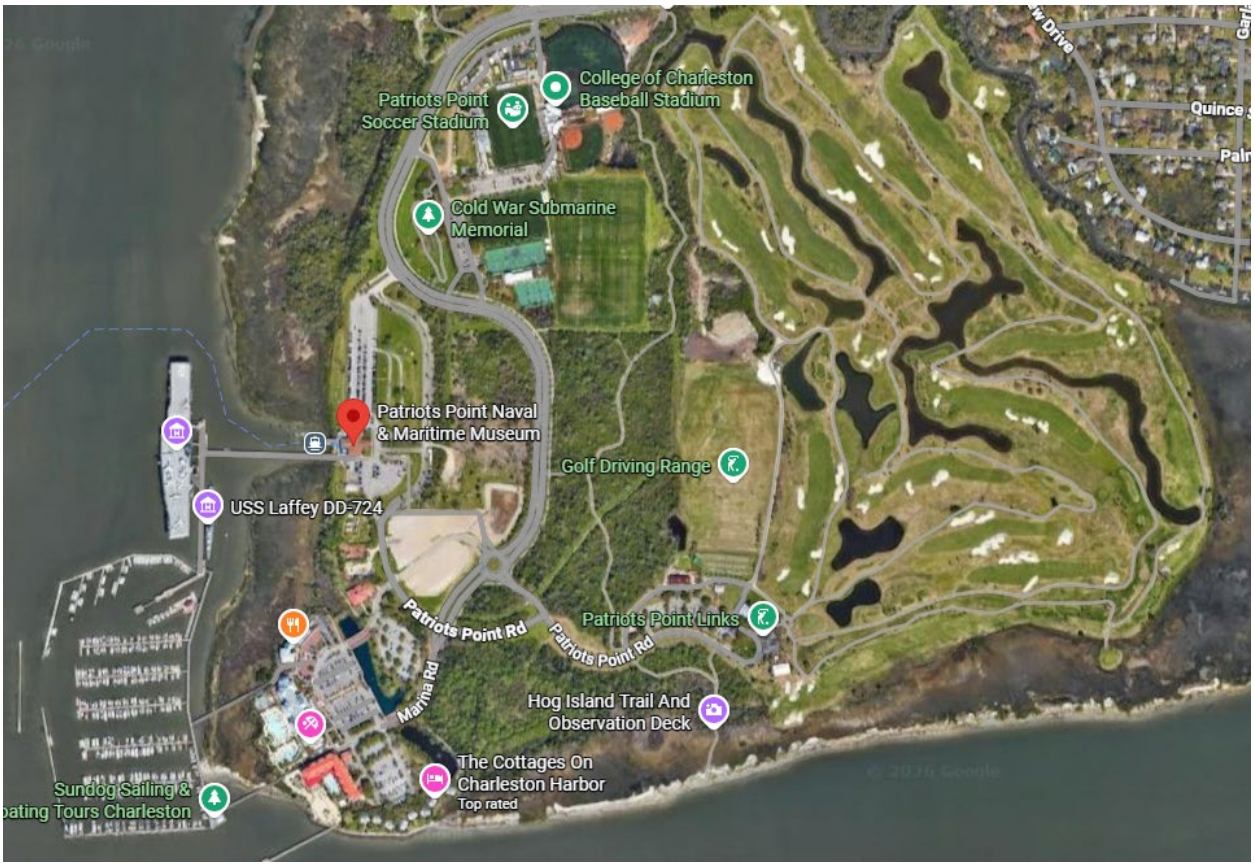
SWORN to and subscribed before me this ____ day of_____ , 202___.

Signature: _____

Print Name: _____

Notary Public for_____

My commission expires _____(SEAL)


College of Charleston Baseball Stadium
Patriots Point Soccer Stadium
Cold War Submarine Memorial
Patriots Point Naval & Maritime Museum
Golf Driving Range
USS Laffey DD-724
Patriots Point Rd
Patriots Point Rd
Patriots Point Links
Marina Rd
Hog Island Trail And Observation Deck
The Cottages On Charleston Harbor
Top rated
Sundog Sailing &
ating Tours Charleston


Marina Rd

AGENCY: Division of Procurement Services

SUBJECT: Audit and Certification - Coastal Carolina University

The S.C. Consolidated Procurement Code and ensuing regulations (Code) authorize agencies to make direct procurements up to $50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§ 11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C(1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may make direct procurements. On December 10, 2019, the Authority delegated procurement authority to Coastal Carolina University (CCU) as follows:

	Certification $ Limits
Supplies & Services	400,000 per commitment*
Information Technology	150,000 per commitment*
Revenue Generating Contracts	1,500,000 per commitment*
Construction Contract Award	300,000 per commitment*
Construction Contract Change Order	200,000 per change order
Architect/Engineer Contract Amendment	75,000 per amendment

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

In accordance with S.C. Code Ann. § 11-35-1230, the Division of Procurement Services (DPS) audited the procurement operating policies and procedures of CCU to determine whether the internal controls of the University's procurement system were adequate to ensure compliance, in all material respects, with the Procurement Code. As described in the audit report, DPS found CCU internal controls adequate to ensure compliance with the Procurement Code.

Based on the audit findings, DPS recommends the Authority to take the action set forth in Section 4 below, including increasing CCU's authority to make direct procurements supplies and services, information technology, revenue generating contracts and construction.

AGENCY: Division of Procurement Services

SUBJECT: Audit and Certification - Coastal Carolina University

AUTHORITY ACTION REQUESTED:

Authorize Coastal Carolina University to make direct procurements at the following limits for three years from date of approval:

Procurement Area	**Certification $ Limits**
Supplies and Services: [1]	
via Competitive Sealed Bidding, Fixed Priced Bidding, or Competitive Online Bidding	1,000,000 per commitment*
via all other source selection methods	750,000 per commitment*
Information Technology	500,000 per commitment*
Revenue Generating Contracts	3,000,000 per commitment*
Construction Contract Award	500,000 per commitment*
Construction Contract Change Order	200,000 per change order
Architect/Engineer Contract Amendment	75,000 per amendment

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

ATTACHMENTS:

Agenda item worksheet and attachment

[1] Supplies and Services including non-IT consulting services.

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 19, 2026 **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**
Coastal Carolina University

3. Summary and Background Information:

The S.C. Consolidated Procurement Code and ensuing regulations (Code) authorize agencies to make direct procurements up to $50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§ 11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C(1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may make direct procurements. On December 10, 2019, the Authority delegated procurement authority to Coastal Carolina University (CCU) as follows:

	Certification $ Limits
Supplies & Services	400,000 per commitment*
Information Technology	150,000 per commitment*
Revenue Generating Contracts	1,500,000 per commitment*
Construction Contract Award	300,000 per commitment*
Construction Contract Change Order	200,000 per change order
Architect/Engineer Contract Amendment	75,000 per amendment

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

In accordance with S.C. Code Ann. § 11-35-1230, the Division of Procurement Services (DPS) audited the procurement operating policies and procedures of CCU to determine whether the internal controls of the University's procurement system were adequate to ensure compliance, in all material respects, with the Procurement Code. As described in the audit report, DPS found CCU internal controls adequate to ensure compliance with the Procurement Code.

Based on the audit findings, DPS recommends the Authority to take the action set forth in Section 4 below, including increasing CCU's authority to make direct procurements supplies and services, information technology, revenue generating contracts and construction.

4. What is Authority asked to do?

Authorize Coastal Carolina University to make direct procurements at the following limits for three years from date of approval

Procurement Area	**Certification $ Limits**
Supplies and Services: [1]	
via Competitive Sealed Bidding, Fixed Priced Bidding, or Competitive Online Bidding	1,000,000 per commitment*
via all other source selection methods	750,000 per commitment*
Information Technology	500,000 per commitment*
Revenue Generating Contracts	3,000,000 per commitment*
Construction Contract Award	500,000 per commitment*
Construction Contract Change Order	200,000 per change order
Architect/Engineer Contract Amendment	75,000 per amendment

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

[1] Supplies and Services including non-IT consulting services.

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

5. What is recommendation of the submitting agency involved?

Authorize Coastal Carolina University to make direct procurements at the limits set forth above for three years.

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) Procurement Audit Report

(b) S.C. Code Ann. § 11-35-1230

(c) S.C. Code Ann. § 11-35-1210

(d) Certification Comparison

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop. Supporting documentation should include all related agreements or approval requests (e.g., leases, contracts, permanent improvements, indebtedness, agenda items), either current or anticipated; or provide information from the submitting agency that there are no related transactions.



Coastal Carolina University

INDEPENDENT PROCUREMENT AUDIT REPORT

for the Audit Period:
July 1, 2022, to June 30, 2025

Office of Audit & Certification
Division of Procurement Services
July 10, 2026

Table of Contents

Page

Abbreviations 1

Introduction 2

Scope 4

Summary of Results 5

Results of Audit 6

Certification Recommendation 8

Abbreviations

Cardholder – Purchasing Card Holder
Code – SC Consolidated Procurement Code and ensuing Regulations
DPS – Division of Procurement Services
PI Manual – Manual for Planning and Execution of State Permanent Improvements
P-Card – Purchasing Card
PO – Purchase Order
SFAA – State Fiscal Accountability Authority
State P-Card Policy – SC Purchasing Card Policy and Procedures
STL – Single Transaction Limit

Introduction

DPS audited Coastal Carolina University's (CCU) internal procurement operating policies and procedures, as outlined in their internal Procurement Operating Procedures Manual, under § 11-35-1230 of the Code and Reg. 19-445.2020.

The primary objective of our audit was to determine whether, in all material respects, the internal controls of CCU's procurement system were adequate to ensure compliance with the Code.

The management of CCU is responsible for the University's compliance with the Code. Those responsibilities include the following:

- Identifying the University's procurement activities and understanding and complying with the Code
- Establishing and maintaining an effective organization structure and system of internal control over procurement activities that provide reasonable assurance that the University administers its procurement programs in compliance with the Code
- Establishing clear lines of authority and responsibility for making and approving procurements
- Documenting the University's system of internal control over its procurement activities in an internal procurement procedure manual
- Taking corrective action when instances of noncompliance are identified, including corrective action for the findings of this audit

Because of inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that compliance with the procedures may deteriorate.

Our review and evaluation of the system of internal control over procurement transactions, as well as our overall audit of procurement policies and procedures, was conducted with professional care. However, because of the nature of audit testing, they would not necessarily disclose all weaknesses in the system.

Introduction

Our audit was also performed to determine if recertification under SC Code Ann. § 11-35-1210 is warranted.

On December 10, 2019, SFAA granted CCU the following procurement certifications:

PROCUREMENT AREA	CURRENT CERTIFICATION $ LIMITS	
Supplies and Services	400,000	per commitment*
Information Technology	150,000	per commitment*
Revenue Generating Contracts	1,500,000	per commitment*
Construction Contract Award	300,000	per commitment*
Construction Contract Change Order	200,000	per change order
Architect/Engineer Contract Amendment	75,000	per amendment

During the audit CCU requested increases in its certification limits.

Scope

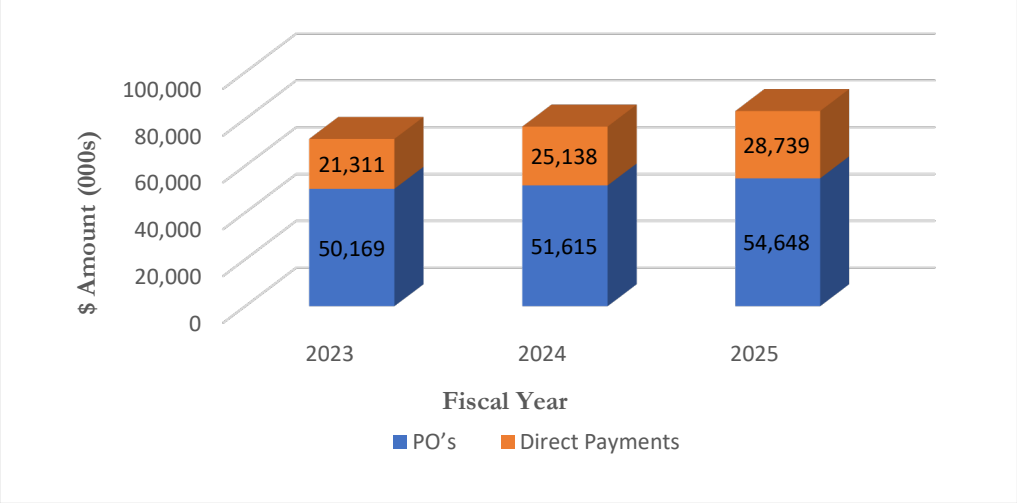
We conducted our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Our audit included testing, on a sample basis, evidence about CCU's compliance with the Code for the period July 1, 2022, through June 30, 2025, the audit period, and performing other procedures that we considered necessary in the circumstances. We reviewed all sole source and emergency procurements for the period April 1, 2018, to June 30, 2025, in accordance with Proviso 117.4. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Total Expenditures

During the audit period, CCU made expenditures as follows:

$ Amount (000s)

	FY2023	FY2024	FY2025	Total
POs[1]	50,169	51,615	54,648	156,432
Direct Pay2	21,311	25,138	28,739	75,188
Total Spend	**71,480**	**76,753**	**83,387**	**231,620**



[1] **POs** represents all expenditures made with a Purchase Order. These are required for most contract purchases by the terms of the contract and is the preferred procurement instrument when a government unit orders or procures supplies or services from a vendor.

[2] **Direct Pays** are made without purchase order based on the State PO Policy. These may occur with purchases of supplies or services that are exempt from the Code or for such things as payment for P-Card purchases or purchases less than $2,500.

Summary of Results

PAGE

I. Supplies, Services, and IT 6

Our testing of supplies & services did not identify any compliance issues.

II. Direct Pays 6

Our testing of direct pays did not identify any compliance issues.

III. Sole Source Procurements 6

Our testing of sole source did not identify any compliance issues.

IV. Emergency Procurements 6

Our testing of emergencies did not identify any compliance issues.

V. Unauthorized or Illegal Procurements 6

Our testing of unauthorized and illegal procurements did not identify any compliance issues.

VI. Construction 6

Our testing of construction did not identify any compliance issues.

VII. P-Cards

Program Administration

STLs Greater Than $2,500 Not Approved 7

CCU had four cardholders with STLs greater than $2,500 for which no governing board or agency head approval was obtained.

Transaction Testing 7

Our testing of P-Card transactions did not identify any compliance issues.

Results of Audit

I. Supplies, Services, and IT

We audited expenditures exceeding $10,000 made with POs, and expenditures made without a PO to determine compliance with the Code.

Our review of supplies and services did not identify any compliance issues.

II. Direct Pays

Our review of direct pays did not identify any compliance issues.

III. Sole Source Procurements

Written determinations for all reported sole source procurements pursuant to SC Code Ann. § 11-35-1560, were evaluated to assess the appropriateness of the procurement actions and the accuracy of the quarterly reports required by § 11-35-2440. During the audit period the University reported 359 sole source procurements totaling approximately $12M to DPS. Our testing did not identify any compliance issues.

IV. Emergency Procurements

All written determinations for reported emergency procurements made pursuant to SC Code Ann. § 11-35-1570 were evaluated to assess the appropriateness of the procurement actions and the accuracy of the quarterly reports required by § 11-35-2440. During the audit period the University reported 48 emergencies procurements totaling $6.4M to DPS. Our testing did not identify any compliance issues.

V. Unauthorized or Illegal Procurements

We tested unauthorized or illegal procurements to determine compliance with the Code and Regulations. All reported unauthorized or illegal procurements were properly disposed.

VI. Construction

We tested construction, architectural/engineer and related professional service contracts for compliance with the Code and the PI Manual.

Our testing found construction procurements had been conducted in compliance with the Code and PI Manual.

VII. P-Cards

CCU had 306 P-Cards in use during the audit period and spent approximately $15M on 37,242 transactions.

Results of Audit

Program Administration

We reviewed CCU's P-Card Policy and Procedures for compliance with the State P-Card Policy and identified weaknesses in program oversight.

STLs Greater Than $2,500 Not Approved

CCU had four cardholders with permanent STLs greater than $2,500 for which no governing board or agency head approval was obtained as required by the State P-Card Policy II (D).

Recommendation: We recommend CCU develop and implement procedures to ensure compliance with the State P-Card Policy by requiring governing board or agency head approval to increase STLs over $2,500.

University Response

In response to SFAA's audit finding titled "STLs Greater Than $2,500 Not Approved", CCU understands and accepts this finding. CCU's Agency Head, or designee officially filed with SFAA, is required to approve permanent STL increases greater than $2,500. CCU has established a procedure to document permanent STL increase approvals both digitally and physically (paper file), ensuring compliance with the State P-Card Policy

P-Card Transaction Testing

We performed tests of P-Card transactions to ensure compliance with State and University P-Card policies and procedures. Transaction testing did not identify any areas of non-compliance.

Certification Recommendation

The internal controls of Coastal Carolina University's internal procurement operations are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations.

As provided in SC Code Ann. § 11-35-1210, we recommend that CCU's procurement authority to make direct agency procurements be increased up to the following limits for three years:

PROCUREMENT AREA	RECOMMENDED CERTIFICATION $ LIMITS
Supplies and Services[1]	
via Competitive Sealed Bidding, Fixed Priced Bidding, or Competitive Online Bidding	1,000,000 per commitment*
via all other source selection methods	750,000 per commitment*
Information Technology[2]	500,000 per commitment*
Revenue Generating Contracts	3,000,000 per commitment*
Construction Contract Award	500,000 per commitment*
Construction Contract Change Order	200,000 per change order
Architect/Engineer Contract Amendment	75,000 per amendment

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

Edward Welch

Ed Welch
Audit Manager,
Audit & Certification

John St. C. White
Materials Management Officer

[1] Supplies and Services including non-IT consulting services via all source selection methods.
[2] Information Technology includes consulting services for any aspect of information technology, systems and networks

SECTION 11-35-1230. Auditing and fiscal reporting.

(1) The Division of Procurement Services, through consultation with the chief procurement officers, shall develop written plans for the auditing of state procurements.

(2) In procurement audits of governmental bodies thereafter, the auditors from the Division of Procurement Services shall review the adequacy of the governmental body's internal controls in order to ensure compliance with the requirement of this code and the ensuing regulations. A noncompliance discovered through audit must be transmitted in management letters to the audited governmental body and the board. The Division of Procurement Services shall provide in writing proposed corrective action to governmental bodies. Based upon audit recommendations, the board may revoke certification as provided in Section 11-35-1210 and require the governmental body to make all procurements through the appropriate chief procurement officer above a dollar limit set by the board, until such time as the board is assured of compliance with this code and its regulations by that governmental body.

SECTION 11-35-1210. Certification.

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

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

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

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

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

(b) responsiveness to user needs;

(c) obtaining the best prices for value received.

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

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

Agency Certification
Comparison to Other Agencies

	Colleges & Universities									
			Procurement Area/Commodity Class							
	18-Aug-26		Certification $ Amount							
AGENCY	CERTIFICATION DATE	CERT NO.	Supplies & Services	Supplies and Services via Competitive Sealed Bidding, Fixed Priced Bidding, or Competitive Online Bidding	Supplies & Services via all other Source Selection Methods	Information Technology	Revenue Generating Contracts	Construction Contract Award	Construction Contract Change Order	Architect/ Engineer Contract Amendment
CITADEL, THE	1/31/2023	520	500,000			500,000		500,000	150,000	25,000
CLEMSON UNIVERSITY	6/18/2024	530	5,000,000			5,000,000	20,000,000	5,000,000	500,000	100,000
COASTAL CAROLINA UNIVERSITY (CCU)	12/10/2019	502	400,000			150,000	1,500,000	300,000	200,000	75,000
Recommended	8/18/2026			1,000,000	750,000	500,000	3,000,000	500,000	200,000	75,000
COLLEGE OF CHARLESTON (CofC)	6/18/2024	531	1,000,000			500,000		200,000	200,000	75,000
FRANCIS MARION UNIVERSITY (FMU)	6/28/2022	516	325,000			200,000		50,000	25,000	25,000
LANDER UNIVERSITY	10/17/2023	527	200,000			150,000		200,000	75,000	50,000
MEDICAL UNIVERSITY OF SC (MUSC)	6/29/2021	512	2,000,000			2,000,000		1,000,000	500,000	100,000
SOUTH CAROLINA, UNIVERSITY OF (USC)	12/9/2025	537	1,500,000			2,500,000	15,000,000	5,000,000	500,000	100,000
WINTHROP UNIVERSITY	2/4/2025	530	100,000			100,000		200,000	50,000	25,000

AGENCY: Division of Procurement Services

SUBJECT: Audit and Certification - Spartanburg Community College

The S.C. Consolidated Procurement Code and ensuing regulations (Code) authorize agencies to make direct procurements up to $50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§ 11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C(1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may make direct procurements. On October 15, 2019, the Authority delegated procurement authority to Spartanburg Community College (SCC) as follows:

	Certification $ Limits
Supplies and Services	225,000 per commitment*
Information Technology	225,000 per commitment*
Construction Contract Award	250,000 per commitment*
Construction Contract Change Order	50,000 per change order
Architect/Engineer Contract Amendment	10,000 per amendment

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

In accordance with S.C. Code Ann. § 11-35-1230, the Division of Procurement Services (DPS) audited the procurement operating policies and procedures of SCC to determine whether the internal controls of the College's procurement system were adequate to ensure compliance, in all material respects, with the Procurement Code. SCC has started implementation of the recommended corrective actions and upon completion of the corrective actions, the internal controls of the SCC's procurement system will be adequate to ensure compliance with the Procurement Code as described in the audit report.

Based on the audit findings, DPS recommends the Authority to take the action set forth in Section 4 below, including increasing SCC's authority to make direct procurements for supplies and services, and information technology.

AGENCY: Division of Procurement Services

SUBJECT: Audit and Certification - Spartanburg Community College

AUTHORITY ACTION REQUESTED:

Authorize Spartanburg Community College to make direct procurements at the following limits for three years from date of approval:

Procurement Area	**Certification $ Limits**
Supplies and Services: [1]	
via Competitive Sealed Bidding, Fixed Priced Bidding, or Competitive Online Bidding	500,000 per commitment*
via all other source selection methods	250,000 per commitment*
Information Technology: [2]	
via Competitive Sealed Bidding, Fixed Priced Bidding, or Competitive Online Bidding	500,000 per commitment*
via all other source selection methods	250,000 per commitment*
Construction Contract Award	250,000 per commitment*
Construction Contract Change Order	50,000 per change order
Architect/Engineer Contract Amendment	10,000 per amendment

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

ATTACHMENTS:

Agenda item worksheet and attachment

[1] Supplies and Services including non-IT consulting services.
[2] Information Technology includes consulting services for any aspect of information technology, systems and networks.

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 19, 2026 **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**
Spartanburg Community College

3. Summary and Background Information:

The S.C. Consolidated Procurement Code and ensuing regulations (Code) authorize agencies to make direct procurements up to $50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§ 11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C(1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may make direct procurements. On October 15, 2019, the Authority delegated procurement authority to Spartanburg Community College (SCC) as follows:

	Certification $ Limits
Supplies and Services	225,000 per commitment*
Information Technology	225,000 per commitment*
Construction Contract Award	250,000 per commitment*
Construction Contract Change Order	50,000 per change order
Architect/Engineer Contract Amendment	10,000 per amendment

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

In accordance with S.C. Code Ann. § 11-35-1230, the Division of Procurement Services (DPS) audited the procurement operating policies and procedures of SCC to determine whether the internal controls of the College's procurement system were adequate to ensure compliance, in all material respects, with the Procurement Code. SCC has started implementation of the recommended corrective actions and upon completion of the corrective actions, the internal controls of the SCC's procurement system will be adequate to ensure compliance with the Procurement Code as described in the audit report.

Based on the audit findings, DPS recommends the Authority to take the action set forth in Section 4 below, including increasing SCC's authority to make direct procurements for supplies and services, and information technology.

4. What is Authority asked to do?

Authorize Spartanburg Community College to make direct procurements at the following limits for three years from date of approval

Procurement Area	**Certification $ Limits**
Supplies and Services: [1]	
via Competitive Sealed Bidding, Fixed Priced Bidding, or Competitive Online Bidding	500,000 per commitment*
via all other source selection methods	250,000 per commitment*
Information Technology: [2]	
via Competitive Sealed Bidding, Fixed Priced Bidding, or Competitive Online Bidding	500,000 per commitment*
via all other source selection methods	250,000 per commitment*
Construction Contract Award	250,000 per commitment*

[1] Supplies and Services including non-IT consulting services.

[2] Information Technology includes consulting services for any aspect of information technology, systems and networks.

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

Construction Contract Change Order.....50,000 per change order

Architect/Engineer Contract Amendment.....10,000 per amendment

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

---

5. What is recommendation of the submitting agency involved?

Authorize Spartanburg Community College to make direct procurements at the limits set forth above for three years.

---

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) Procurement Audit Report

(b) S.C. Code Ann. § 11-35-1230

(c) S.C. Code Ann. § 11-35-1210

(d) Certification Comparison

---

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop. Supporting documentation should include all related agreements or approval requests (e.g., leases, contracts, permanent improvements, indebtedness, agenda items), either current or anticipated; or provide information from the submitting agency that there are no related transactions.



Spartanburg Community College

INDEPENDENT PROCUREMENT AUDIT REPORT

for the Audit Period:
January 1, 2022, to December 31, 2024

Office of Audit & Certification
Division of Procurement Services
May 26, 2026

Table of Contents

	Page
Abbreviations	1
Introduction	2
Scope	4
Summary of Results	5
Results of Audit	6
Certification Recommendation	10

Abbreviations

Cardholder – Purchasing Card Holder
Code – SC Consolidated Procurement Code and ensuing Regulations
DPS – Division of Procurement Services
PI Manual – Manual for Planning and Execution of State Permanent Improvements
MBE – Minority Owned Business Enterprise
P-Card – Purchasing Card
PO – Purchase Order
SFAA – State Fiscal Accountability Authority
State P-Card Policy – SC Purchasing Card Policy and Procedures
STL – Single Transaction Limit

Introduction

DPS audited Spartanburg Community College's (SCC) internal procurement operating policies and procedures, as outlined in their internal Procurement Operating Procedures Manual, under § 11-35-1230 of the Code and Reg. 19-445.2020.

The primary objective of our audit was to determine whether, in all material respects, the internal controls of SCC's procurement system were adequate to ensure compliance with the Code.

The management of SCC is responsible for the College's compliance with the Code. Those responsibilities include the following:

- Identifying the College's procurement activities and understanding and complying with the Code
- Establishing and maintaining an effective organization structure and system of internal control over procurement activities that provide reasonable assurance that the College administers its procurement programs in compliance with the Code
- Establishing clear lines of authority and responsibility for making and approving procurements
- Documenting the College's system of internal control over its procurement activities in an internal procurement procedure manual
- Taking corrective action when instances of noncompliance are identified, including corrective action for the findings of this audit

Because of inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that compliance with the procedures may deteriorate.

Our review and evaluation of the system of internal control over procurement transactions, as well as our overall audit of procurement policies and procedures, was conducted with professional care. However, because of the nature of audit testing, they would not necessarily disclose all weaknesses in the system.

Introduction

Our audit was also performed to determine if recertification under SC Code Ann. § 11-35-1210 is warranted.

On October 15, 2019, SFAA granted SCC the following procurement certifications:

PROCUREMENT AREA	CURRENT CERTIFICATION $ LIMITS
Supplies and Services	225,000 per commitment*
Information Technology	225,000 per commitment*
Construction Contract Award	250,000 per commitment*
Construction Contract Change Order	50,000 per change order
Architect/Engineer Contract Amendment	10,000 per amendment

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

During the audit the College requested increases in its certification limits.

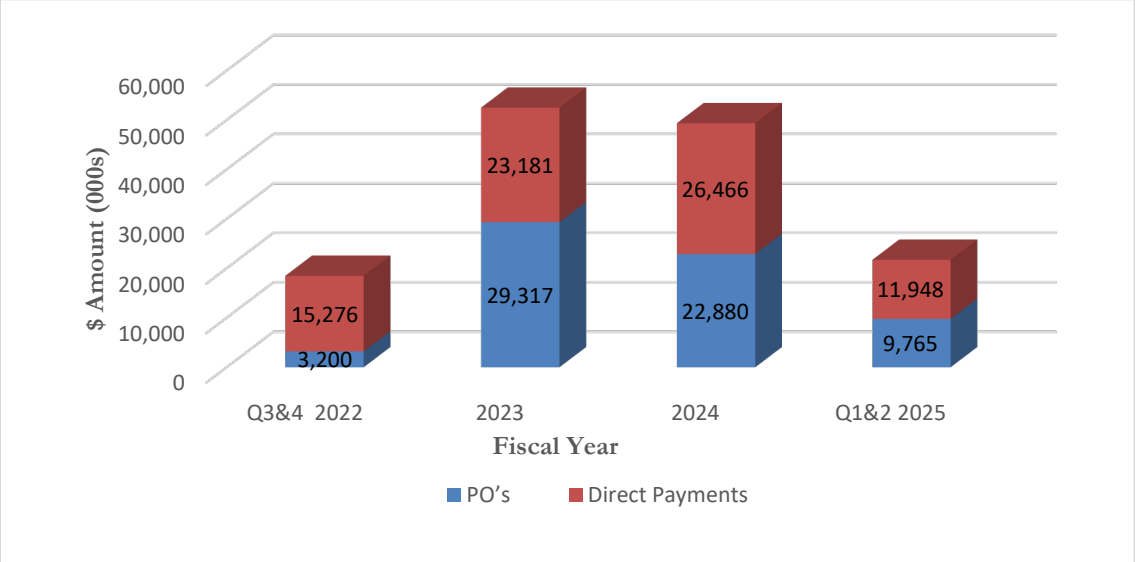
Scope

We conducted our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Our audit included testing, on a sample basis, evidence about SCC's compliance with the Code for the period January 1, 2022, through December 31, 2024, the audit period, and performing other procedures that we considered necessary in the circumstances. We reviewed all sole source and emergency procurements for the period April 1, 2018, to December 31, 2024, in accordance with Proviso 117.4. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Total Expenditures

During the audit period, the College made expenditures as follows:

	$ Amount (000s)				
	Q3,4 FY2022	FY2023	FY2024	Q1,2 FY2025	Total
POs[1]	3,200	29,317	22,880	9,765	65,162
Direct Pay[2]	15,276	23,181	26,466	11,948	76,871
Total Spend	**18,476**	**52,498**	**49,346**	**21,713**	**142,033**



[1] **POs** represents all expenditures made with a Purchase Order. These are required for most contract purchases by the terms of the contract and is the preferred procurement instrument when a government unit orders or procures supplies or services from a vendor.

[2] **Direct Pays** are made without purchase order based on the State PO Policy. These may occur with purchases of supplies or services that are exempt from the Code or for such things as payment for P-Card purchases or purchases less than $2,500.

Summary of Results

PAGE

I. Supplies, Services, and IT

No Justification for Selected Procurement Method 6

SCC awarded one contract through a request for proposal without the required justification.

II. Sole Source Procurements

A. Inappropriate Sole Source Determinations 6

SCC made six inappropriate sole source determinations.

B. Sole Source Approval Dates Missing 7

SCC had 13 sole source procurements that were not properly authorized.

III. Emergency Procurements 7

Our testing of emergencies did not identify any compliance issues.

IV. Construction 8

Our testing of constructions did not identify any compliance issues.

V. P-Cards

Program Administration

A. Independent Audit of P-Cards Not Performed 8

SCC had not performed periodic independent audits of the P-Card program as required.

B. STL Greater Than $2,500 Not Approved 8

SCC had one cardholder with a permanent STL greater than $2,500 for which no governing board or agency's head approval was obtained.

Transaction Testing 9

Our testing of P-Card transactions did not identify any compliance issues.

VI. **Unauthorized or Illegal Procurements** 9

Our testing of unauthorized procurements did not identify any compliance issues.

Note: The College's responses to issues raised in this report have been inserted immediately following the recommendations in the body of the report.

Results of Audit

I. Supplies, Services and IT

We audited expenditures exceeding $10,000 made with POs, and expenditures made without a PO to determine compliance with the Code.

Our review of procurements for the audit period identified the following issues:

No Justification for Source Selection Method

SCC awarded one contract totaling approximately $220K through a request for proposal without the required justification that the alternate source selection method was advantageous to the State as required by SC Code Ann § 11-35-1530 (1) (a).

Recommendation: We recommend SCC develop and implement procedures to ensure a written justification is required and documented with adequate reasoning for any source methods selected other than Competitive Sealed Bidding for all contracts.

College Response

Finding I: (No Justification of Source Selection Method). SCC understands the need to be transparent in its operations and is developing a "Procurement Checklist" that will be implemented within the next 30 days that will be used in connection with the "Procurement Request form". The Procurement Request form provides the details of the procurement need as described by the end user. The Procurement Checklist (used by the Procurement Dept.) will ensure, among other things, that the required Market Research has been completed and will help identify any additional forms that may need to be completed, such as a Source Selection justification form prior to the procurement proceeding.

II. Sole Source Procurements

Written determinations for all sole source procurements pursuant to SC Code Ann. § 11-35-1560, were evaluated to assess the appropriateness of the procurement actions and the accuracy of the quarterly reports required by § 11-35-2440. During the audit period SCC reported 178 sole source procurements totaling approximately $12M to DPS.

A. Inappropriate Sole Source Determinations

SCC sole source determinations for six sole source procurements totaling approximately $462k were inadequate to justify the vendor was the only one available for the products and services purchased. The College failed to describe the business need for the goods or services that promotes competition and did not provide sufficient information about the market to support the sole source

justification per SC Reg 19-445.2105 (C)(2). These procurements should be reported to DPS as in violation of the Procurement Code per Reg 19-445.2015.

Recommendation: We recommend SCC develop and implement procedures to ensure compliance with SC Code Ann. § 11-35-1560, and SC Reg 19-445.2105 (C)(2) regarding sole source determinations, and that competition be solicited whenever there is reasonable doubt. DPS provides a sample sole source determination form on its website that may serve as a guide.

College Response

Finding II (a): (Inappropriate Sole Source Determination). SCC acknowledges and takes responsibility for the need to include all justifications and determination information in the correct form and will include proper procedural guidance in the SCC Procurement Operation Manual to ensure tis is completed properly in the future.

B. Sole Source Approval Dates Missing

SCC authorized approvers did not date their signatures on 13 sole source written determinations totaling approximately $857k per SC Regs 19-445.2105 (C)(2). Without approval dates, we were unable to determine whether authorizations for these sole source procurements were obtained prior to contract execution as required.

Recommendation: We recommend that SCC report all 13 of these sole source procurements as illegal or unauthorized as required by regulation. We further recommend SCC develop and implement procedures to ensure all sole source determinations are properly authorized by the appropriate level of management as required by the Code.

College Response

Finding II (b): (Sole Source Approval Dates Missing). SCC acknowledges the 13 undated forms, SCC accepts the determination that, without dates on the forms it is not possible for the examiner to determine the sequencing of the approval and has since started using the most current Sole Source Determination form (MMO 102).

III. Emergency Procurements

All written determinations for emergency procurements made pursuant to SC Code Ann. § 11-35-1570 were evaluated to assess the appropriateness of the procurement actions and the accuracy of the quarterly reports required by § 11-35-2440. SCC conducted 17 emergency procurements totaling approximately $627k during the audit period. Our testing did not identify any compliance issues.

IV. Construction

We tested construction, architectural/engineer and related professional service contracts for compliance with the Code and the PI Manual. Our testing found construction procurements had been conducted in compliance with the Code and PI Manual.

V. P-Cards

SCC had 88 P-Cards in use during the audit period and spent $1,074,720 in 5,918 transactions. Based on the volume of usage, there is increased risk that misuse or abuse of P-Cards will not be prevented or detected without adequate management oversight.

Program Administration

We reviewed SCC's P-Card Policy and Procedures for compliance with the State P-Card Policy and identified weaknesses in program oversight.

A. Independent Audit of P-Cards Not Performed

SCC failed to obtain independent audits of its P-Card program meeting the requirements of Section (V) (6) of the State P-Card Policy.

Recommendation: We recommend that the College develop and implement procedures to ensure required independent audits of the P-Card program are conducted, at least annually, including program administration and transaction testing. We recommend that these audits be performed by individuals not associated with the P-Card program.

College Response

Finding V (a): (Independent Audit of P-cards not performed). SCC will develop and implement a stronger, more focused procedure to meet the specific compliance needs identified. Additionally, as outlined by Proviso 104.10 (July 1, 2025) SCC is required to complete an annual compliance audit. This new statewide requirement will fulfill the recommendation listed in the Audit Report.

B. STL Greater Than $2,500 Not Approved

SCC could not provide evidence of governing board or agency head approval as required by State P-Card Policy II (D)for an STL greater than $2,500 for one cardholder.

Recommendation: We recommend SCC develop and implement procedures to ensure that all cardholders with an STL greater than $2,500 obtain agency head approval.

College Response

Finding V (b): (STL's Greater than $2,500 not approved). The P-card identified is issued to the Sr. Procurement Specialist working in the Procurement department. As part of our internal process,

all P-card purchases exceeding $1,000 require prior approval. In the specific case referenced in this report, the approval documentation was unfortunately misplaced. This is not a common occurrence, and we have taken steps to ensure it does not happen again. To prevent future gaps in documentation, our office has transitioned to fully digital record-keeping, with all files securely backed up in cloud-based systems. These records are accessible to all team members, providing continuity in the event of staff turnover and ensuring that required documentation is consistently maintained.

P-Card Transaction Testing

We performed tests of P-Card transactions to ensure compliance with State and College P-Card policies and procedures. Transaction testing did not identify any areas of non-compliance.

VI. Unauthorized or Illegal Procurements

We tested reported Unauthorized or Illegal Procurements to determine compliance with the Code and Regulations.

All reported unauthorized or illegal procurements were properly resolved.

College Response (Conclusion)

In conclusion, SCC continues to strive for perfection in all its procurement work. Compliance with the code, state and DPS requirements is always a top priority as is transparency with all state of SC stakeholders and the bidding community. SCC appreciates the DPS and is grateful for the feedback and recommendations provided in the report. SCC will complete additional training, develop and implement procedures to improve the procurement function at the college and make the college compliant with the code and state requirements.

Certification Recommendation

We believe corrective action based on the recommendations in this report will make Spartanburg Community College's internal procurement operations consistent with the South Carolina Consolidated Procurement Code and ensuing regulations.

As provided in SC Code Ann. § 11-35-1210, we recommend that Spartanburg Community College's procurement authority to make direct agency procurements be increased up to the following limits for three years:

PROCUREMENT AREA	RECOMMENDED CERTIFICATION $ LIMITS
Supplies and Services: [1]	
via Competitive Sealed Bidding, Fixed Priced Bidding, or Competitive Online Bidding	500,000 per commitment*
via all other source selection methods	250,000 per commitment*
Information Technology: [2]	
via Competitive Sealed Bidding, Fixed Priced Bidding, or Competitive Online Bidding	500,000 per commitment*
via all other source selection methods	250,000 per commitment*
Construction Contract Award	250,000 per commitment*
Construction Contract Change Order	50,000 per change order
Architect/Engineer Contract Amendment	10,000 per amendment

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

Edward Welch

Edward Welch
Audit Manager,
Audit & Certification

John St. C. White

John St. C. White
Materials Management Officer

[1] Supplies and Services including non-IT consulting services.
[2] Information Technology includes consulting services for any aspect of information technology, systems and networks.

SECTION 11-35-1230. Auditing and fiscal reporting.

(1) The Division of Procurement Services, through consultation with the chief procurement officers, shall develop written plans for the auditing of state procurements.

(2) In procurement audits of governmental bodies thereafter, the auditors from the Division of Procurement Services shall review the adequacy of the governmental body's internal controls in order to ensure compliance with the requirement of this code and the ensuing regulations. A noncompliance discovered through audit must be transmitted in management letters to the audited governmental body and the board. The Division of Procurement Services shall provide in writing proposed corrective action to governmental bodies. Based upon audit recommendations, the board may revoke certification as provided in Section 11-35-1210 and require the governmental body to make all procurements through the appropriate chief procurement officer above a dollar limit set by the board, until such time as the board is assured of compliance with this code and its regulations by that governmental body.

SECTION 11-35-1210. Certification.

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

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

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

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

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

(b) responsiveness to user needs;

(c) obtaining the best prices for value received.

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

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

Agency Certification
Comparison to Other Agencies

Technical Colleges											
			Procurement Area/Commodity Class								
	18-Aug-26		Certification $ Amount								
AGENCY	CERTIFICATION DATE	CERT NO.	Supplies & Services	Supplies and Services via Competitive Sealed Bidding, Fixed Priced Bidding, or Competitive Online Bidding	Supplies & Services via all other Source Selection Methods	Information Technology	Information Technology via Competitive Sealed Bidding, Fixed Priced Bidding, or Competitive Online Bidding	Information Technology via all other Source Selection Methods	Construction Contract Award	Construction Contract Change Order	Architect/ Engineer Contract Amendment
GREENVILLE TECH (GTC)	12/10/2019	504	250,000			150,000			100,000	50,000	25,000
HORRY-GEORGETOWN TECH (HGTC)	8/26/2025	494	400,000			300,000			300,000	75,000	25,000
MIDLANDS TECH (MTC)	8/30/2022	518	350,000			150,000			100,000	50,000	10,000
SPARTANBURG COMMUNITY COLLEGE (SCC)	10/15/2019	500	225,000			225,000			250,000	50,000	10,000
Recommended	8/18/2026			500,000	250,000		500,000	250,000	250,000	50,000	10,000
TRI-COUNTY TECHNICAL COLLEGE (TCTC)	5/23/2023	523	250,000			150,000			150,000		
TRIDENT TECHNICAL COLLEGE (TTC)	8/26/2025	495	1,000,000			500,000			350,000	150,000	50,000

AGENCY: Division of Procurement Services

SUBJECT: Audit and Certification - South Carolina Department of Transportation

The S.C. Consolidated Procurement Code and ensuing regulations (Code) authorize agencies to make direct procurements up to $50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§ 11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C(1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may make direct procurements. On December 10, 2019, the Authority delegated procurement authority to South Carolina Department of Transportation (DOT) as follows:

	Certification $ Limits
Supplies	1,000,000 per commitment*
Services	500,000 per commitment*
Information Technology	100,000 per commitment*
Construction Contract Award	500,000 per commitment*
Construction Contract Change Order	100,000 per change order
Architect/Engineer Contract Amendment	25,000 per amendment

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

In accordance with S.C. Code Ann. § 11-35-1230, the Division of Procurement Services (DPS) audited the procurement operating policies and procedures of DOT to determine whether the internal controls of the Agency's procurement system were adequate to ensure compliance, in all material respects, with the Procurement Code. DOT has started implementation of the recommended corrective actions and upon completion of the corrective actions, the internal controls of the DOT's procurement system will be adequate to ensure compliance with the Procurement Code as described in the audit report.

Based on the audit findings, DPS recommends the Authority to take the action set forth in Section 4 below, including increasing DOT's authority to make direct procurements for supplies and services, and mitigation bank credits.

AGENCY: Division of Procurement Services

SUBJECT: Audit and Certification - South Carolina Department of Transportation

AUTHORITY ACTION REQUESTED:

Authorize South Carolina Department of Transportation to make direct procurements at the following limits for three years from date of approval:

Procurement Area	**Certification $ Limits**
Supplies and Services: [1]	
via Competitive Sealed Bidding, Fixed Priced Bidding, or Competitive Online Bidding	3,000,000 per commitment*
via all other source selection methods	1,500,000 per commitment*
Mitigation Bank Credits	5,000,000 per commitment*
Information Technology	100,000 per commitment*
Construction Contract Award	500,000 per commitment*
Construction Contract Change Order	100,000 per change order
Architect/Engineer Contract Amendment	25,000 per amendment

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

ATTACHMENTS:

Agenda item worksheet and attachment

[1] Supplies and Services including non-IT consulting services.

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 19, 2026 **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**
South Carolina Department of Transportation

3. Summary and Background Information:

The S.C. Consolidated Procurement Code and ensuing regulations (Code) authorize agencies to make direct procurements up to $50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§ 11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C(1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may make direct procurements. On December 10, 2019, the Authority delegated procurement authority to South Carolina Department of Transportation (DOT) as follows:

	Certification $ Limits
Supplies	1,000,000 per commitment*
Services	500,000 per commitment*
Information Technology	100,000 per commitment*
Construction Contract Award	500,000 per commitment*
Construction Contract Change Order	100,000 per change order
Architect/Engineer Contract Amendment	25,000 per amendment

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

In accordance with S.C. Code Ann. § 11-35-1230, the Division of Procurement Services (DPS) audited the procurement operating policies and procedures of DOT to determine whether the internal controls of the Agency's procurement system were adequate to ensure compliance, in all material respects, with the Procurement Code. DOT has started implementation of the recommended corrective actions and upon completion of the corrective actions, the internal controls of the DOT's procurement system will be adequate to ensure compliance with the Procurement Code as described in the audit report.

Based on the audit findings, DPS recommends the Authority to take the action set forth in Section 4 below, including increasing DOT's authority to make direct procurements for supplies and services, and mitigation bank credits.

4. What is Authority asked to do?

Authorize South Carolina Department of Transportation to make direct procurements at the following limits for three years from date of approval

Procurement Area	**Certification $ Limits**
Supplies and Services: [1]	
via Competitive Sealed Bidding, Fixed Priced Bidding, or Competitive Online Bidding	3,000,000 per commitment*
via all other source selection methods	1,500,000 per commitment*
Mitigation Bank Credits	5,000,000 per commitment*
Information Technology	100,000 per commitment*
Construction Contract Award	500,000 per commitment*
Construction Contract Change Order	100,000 per change order
Architect/Engineer Contract Amendment	25,000 per amendment

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

[1] Supplies and Services including non-IT consulting services.

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

5. What is recommendation of the submitting agency involved?

Authorize South Carolina Department of Transportation to make direct procurements at the limits set forth above for three years.

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) Procurement Audit Report

(b) S.C. Code Ann. § 11-35-1230

(c) S.C. Code Ann. § 11-35-1210

(d) Certification Comparison

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop. Supporting documentation should include all related agreements or approval requests (e.g., leases, contracts, permanent improvements, indebtedness, agenda items), either current or anticipated; or provide information from the submitting agency that there are no related transactions.



South Carolina
Department of Transportation

INDEPENDENT PROCUREMENT AUDIT REPORT

for the Audit Period:
May 1, 2022, to April 30, 2025

Office of Audit & Certification
Division of Procurement Services
July 13, 2026

Table of Contents

Page

Abbreviations 1

Introduction 2

Scope 4

Summary of Results 5

Results of Audit 6

Certification Recommendation 10

Abbreviations

Code – SC Consolidated Procurement Code and ensuing Regulations
CPO – Chief Procurement Officer
DPS – Division of Procurement Services
PI Manual – Manual for Planning and Execution of State Permanent Improvements
MCC – Merchant Category Codes
P-Card – Purchasing Card
PO – Purchase Order
SFAA – State Fiscal Accountability Authority
State P-Card Policy – SC Purchasing Card Policy and Procedures
State PO Policy – State of South Carolina Statewide Purchase Order Policy

Introduction

DPS audited South Carolina Department of Transportation's (DOT) internal procurement operating policies and procedures, as outlined in their internal Procurement Operating Procedures Manual, under § 11-35-1230 of the Code and Reg. 19-445.2020.

The primary objective of our audit was to determine whether, in all material respects, the internal controls of DOT's procurement system were adequate to ensure compliance with the Code.

The management of DOT is responsible for the agency's compliance with the Code. Those responsibilities include the following:

- Identifying the agency's procurement activities and understanding and complying with the Code
- Establishing and maintaining an effective organization structure and system of internal control over procurement activities that provide reasonable assurance that the agency administers its procurement programs in compliance with the Code
- Establishing clear lines of authority and responsibility for making and approving procurements
- Documenting the agency's system of internal control over its procurement activities in an internal procurement procedure manual
- Taking corrective action when instances of noncompliance are identified, including corrective action for the findings of this audit

Because of inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that compliance with the procedures may deteriorate.

Our review and evaluation of the system of internal control over procurement transactions, as well as our overall audit of procurement policies and procedures, was conducted with professional care. However, because of the nature of audit testing, they would not necessarily disclose all weaknesses in the system.

Introduction

Our audit was also performed to determine if recertification under SC Code Ann. § 11-35-1210 is warranted.

On December 10, 2022, SFAA granted DOT the following procurement certifications:

PROCUREMENT AREA	CURRENT CERTIFICATION $ LIMITS
Supplies	1,000,000 per commitment*
Services	500,000 per commitment*
Information Technology	100,000 per commitment*
Construction Contract Award	500,000 per commitment*
Construction Contract Change Order	100,000 per change order
Architect/Engineer Contract Amendment	25,000 per amendment

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

During the audit DOT requested increases in its certification limits.

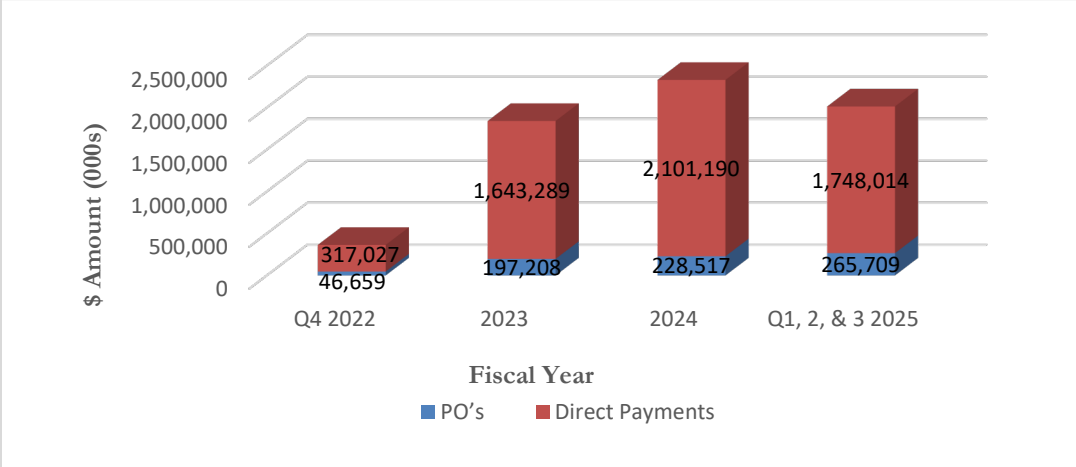
Scope

We conducted our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Our audit included testing, on a sample basis, evidence about DOT's compliance with the Code for the period May 1, 2022, through April 30, 2025, the audit period, and performing other procedures that we considered necessary in the circumstances. We reviewed all sole source and emergency procurements for the period July 1, 2018, through April 30, 2025, in accordance with Proviso 117.4. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Total Expenditures

During the audit period, the agency made expenditures as follows:

	$ Amount (000s)				
	Q4 FY2022	FY2023	FY2024	Q1 - Q3 FY2025	Total
POs[1]	46,659	197,208	228,517	265,709	738,093
Direct Pay[2]	317,027	1,643,289	2,101,190	1,748,014	5,809,520
Total Spend	**363,686**	**1,840,497**	**2,329,707**	**2,013,723**	**6,547,613**



[1] **PO**s represents all expenditures made with a Purchase Order. These are required for most contract purchases by the terms of the contract and is the preferred procurement instrument when a government unit orders or procures supplies or services from a vendor.

[2] **Direct Pays** are made without purchase order based on the State PO Policy. These may occur with purchases of supplies or services that are exempt from the Code or for such things as payment for P-Card purchases or purchases less than $2,500. DOT's high usage of direct pays is due to the exemption for construction, maintenance, and repair of highways, bridges, and roads.

Summary of Results

I. Supplies, Services, and IT

A. No Justification for Alternate Procurement Method 6

DOT awarded three fixed price bids and four requests for proposals without the required justifications.

B. Purchase Exceeded Agency's Delegated Authority 6

DOT exceeded their delegated authority on a request for proposal for data collection services.

II. Sole Source Procurements

Not Properly Reported to DPS 7

DOT did not report 145 sole source procurements to DPS.

III. Emergency Procurements

Proper Notice of Award 7

DOT did not post public notices for two emergency procurements.

IV. Unauthorized or Illegal Procurement 8

We tested Unauthorized or Illegal Procurements to determine compliance with the Code.

V. Construction

A. Certification of Liability Insurance Not Obtained 8

DOT did not obtain certificates of insurance for three construction projects.

B. Payment Bond and Performance Bond Not Obtained 8

DOT did not obtain a payment bond and a performance bond for one construction project.

VI. P-Cards

Program Administration 8

Our review of DOT's P-Card Policy and Procedures did not identify any weaknesses in program oversight.

Transaction Testing 9

Our transaction testing of P-Cards did not identify any areas of non-compliance.

Results of Audit

I. Supplies, Services and IT

We audited expenditures exceeding $10,000 made with POs, and expenditures made without a PO to determine compliance with the Code.

Our review of procurements for the audit period identified the following issues:

A. No Justification for Alternate Procurement Method

DOT awarded three fixed price bids and four requests for proposals totaling approximately $2M without the required justification that the alternate source selection method was advantageous to the as required by SC Code Ann. § 11-35-1525(1) and 11-35-1530(1)(a).

Recommendation: We recommend DOT develop and implement procedures to ensure a written justification is required and documented with adequate reasoning for any source methods selected other than competitive sealed bidding for all contracts.

Agency Response

SCDOT agrees with this recommendation and has implemented procedures requiring that any contract awarded using a source selection method other than competitive sealed bidding be supported by a written justification documenting the rationale for the selected procurement.

B. Purchase Exceeded Agency's Delegated Authority

DOT received a delegation of authority for $1.5M from DPS to procure a contract; however, the Agency violated the conditions of the delegation as required by SC Code Ann. § 11-35-1210 and 11-35-1830(b). DOT procured services for a total contract value of approximately $3.6M which exceeded the Agency's awarded delegated procurement authority of $1.5M without approval from the CPO. DOT then issued a Change Order for $1.6M increasing the total contract value to approximately $5.2M, which further exceeded the Agency's delegated procurement authority of $1.5M without approval from the CPO.

Recommendation: We recommend DOT develop and implement procedures to ensure that the required delegation of authority is received from DPS prior to soliciting a contract above their certification and that this procurement be reported as unauthorized or illegal per SC Reg 19-445.2015.

Agency Response

SCDOT agrees with this recommendation and has successfully obtained delegated authority from Division of Procurement Services (DPS) for numerous contracts since the contract in question, with no subsequent issues. SCDOT will continue to follow its established procedures to ensure delegated authority is received before soliciting contracts that exceed its certification limits. SCDOT will also report this procurement as unauthorized within the next 30 days.

II. Sole Source Procurements

Per Proviso 117.41, we evaluated written determinations for all DOT's sole source procurements pursuant to SC Code Ann § 11-35-1560 to determine if the reasons for awarding non-competitive procurements was legitimate and valid and to determine the accuracy of the quarterly reports required by § 11-35-2440. During the audit period DOT reported 170 sole source procurements totaling approximately $16M to DPS.

Not Properly Reported to DPS

DOT did not report 145 sole sources totaling approximately $14.6M to DPS as required by SC Code Ann. § 11-35-2440.

Recommendation: We recommend DOT develop and implement procedures, including management review and approval, to ensure complete, accurate, and timely quarterly reporting of sole source procurements.

Agency Response

SCDOT agrees with this recommendation and has reported the 145 sole sources identified. SCDOT will continue to follow its established procedures to ensure the complete, accurate, and timely quarterly reporting of sole source procurements.

III. Emergency Procurements

Per Proviso 117.41, we evaluated written determinations for all DOT's emergency procurements made pursuant to SC Code Ann. § 11-35-1570 to determine if the reasons for awarding non-competitive procurements was legitimate and valid and to determine the accuracy of the quarterly reports required by § 11-35-2440. DOT reported 38 emergency procurements totaling approximately $2.1M during the audit period.

Proper Notice of Award

DOT did not post the public notice of award without competition for two emergency contracts totaling approximately $468k in SCBO as required by SC Code Ann. § 11-35-1570 (B).

Recommendation: We recommend DOT develop and implement procedures, including management review and approval, to ensure that all emergency procurements greater than $50k are advertised as required.

Agency Response

SCDOT agrees with this recommendation and has developed and implemented procedures to ensure all emergency procurements exceeding $50K are reviewed and approved by management and advertised as required.

IV. Unauthorized or Illegal Procurements

We tested unauthorized or illegal procurements to determine compliance with the Code and Regulations. All reported unauthorized or illegal procurements were properly disposed.

V. Construction

We tested construction, architectural/engineer and related professional service contracts for compliance with the Code and the PI Manual.

A. Certificates of Insurance Not Obtained

DOT did not obtain the certificates of insurance for three projects totaling approximately $249K from the awarded contract performance per SC Regs 19-445.2145 (L).

B. Payment Bond and Performance Bond Not Obtained

DOT did not obtain a payment bond and a performance bond for one construction project totaling approximately $90K as required by Code Sec. 11-35-3030(2)(a) and the Subcontractors' and Suppliers' Payment Protection Act.

Recommendation: We recommend DOT develop and implement procedures to ensure that certificates of insurance are obtained for all construction projects and that payment and performance bonds are obtained for all construction projects greater than $50k.

Agency Response

SCDOT agrees with this recommendation and has developed and implemented a checklist for all construction projects to ensure that certificates of insurance are obtained and that payment bonds and performance bonds are secured for all construction projects greater than $50k.

VI. P-Cards

DOT had 847 P-Cards in use during the audit period and spent approximately $38M on 151,552 transactions.

Program Administration

We reviewed DOT's P-Card Policy and Procedures for compliance with the State P-Card Policy, and we did not identify any weaknesses in program oversight.

Results of Audit

DOT conducts P-Card reviews using WORKS reports, specifically the weekend spend, split transaction, and blocked MCCs reports. We commend DOT's vigilant oversight of P-Card use. We will recommend these reports as the best practice for other agencies to adopt in their P-Card administration.

P-Card Transaction Testing

We performed tests of P-Card transactions to ensure compliance with State and Agency P-Card policies and procedures. Transaction testing did not identify any areas of non-compliance.

Certification Recommendation

We believe corrective action based on the recommendations in this report will make the South Carolina Department of Transportation's internal procurement operations consistent with the South Carolina Consolidated Procurement Code and ensuing regulations.

As provided in SC Code Ann. § 11-35-1210, we recommend that DOT's procurement authority to make direct agency procurements be increased up to the following limits for three years:

PROCUREMENT AREA	RECOMMENDED CERTIFICATION $ LIMITS
Supplies and Services[1]	
via Competitive Sealed Bidding, Fixed Priced Bidding, or Competitive Online Bidding	3,000,000 per commitment*
via all other source selection methods	1,500,000 per commitment*
Mitigation Bank Credits	5,000,000 per commitment*
Information Technology[2]	100,000 per commitment*
Construction Contract Award	500,000 per commitment*
Construction Contract Change Order	100,000 per change order
Architect/Engineer Contract Amendment	25,000 per amendment

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

Edward Welch

Ed Welch
Audit Manager,
Audit & Certification

John St. C. White

John St. C. White
Materials Management Officer

[1] Supplies and Services including non-IT consulting services via all source selection methods.
[2] Information Technology includes consulting services for any aspect of information technology, systems and networks

SECTION 11-35-1230. Auditing and fiscal reporting.

(1) The Division of Procurement Services, through consultation with the chief procurement officers, shall develop written plans for the auditing of state procurements.

(2) In procurement audits of governmental bodies thereafter, the auditors from the Division of Procurement Services shall review the adequacy of the governmental body's internal controls in order to ensure compliance with the requirement of this code and the ensuing regulations. A noncompliance discovered through audit must be transmitted in management letters to the audited governmental body and the board. The Division of Procurement Services shall provide in writing proposed corrective action to governmental bodies. Based upon audit recommendations, the board may revoke certification as provided in Section 11-35-1210 and require the governmental body to make all procurements through the appropriate chief procurement officer above a dollar limit set by the board, until such time as the board is assured of compliance with this code and its regulations by that governmental body.

SECTION 11-35-1210. Certification.

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

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

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

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

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

(b) responsiveness to user needs;

(c) obtaining the best prices for value received.

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

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

		PROCUREMENT AREA														
Agencies		CERTIFICATION $ AMOUNT									**SPECIAL AGENCY SPECIFIC PROCUREMENTS**					
AGENCY	CERTIFICATION DATE	Supplies and Services	Supplies and Services, Non-RFP	Supplies and Services, RFP	Supplies	Services	Information Technology	Construction Contract Award	Construction Contract Change Order	Architect/ Engineer Contract Amendment	Drugs, Contraceptives Biochemicals and Biochemical Research	Food Products	School Bus Supplies & Maintenance	Major Fire Fighting Equipment	Mitigation Bank Credits	Direct to Client Service Provider Contracts
OFFICE OF ADJUTANT GENERAL	10/17/2023	100,000						100,000								
ARTS COMMISSION	9/8/2021	100,000					100,000									
DEPT. OF COMMERCE	8/26/2025	100,000					100,000									
DEPT. OF CORRECTIONS	10/17/2023		3,000,000	1,000,000			200,000	100,000	100,000	50,000		3,000,000				
DEPT. OF EDUCATION	8/26/2025	150,000					100,000						400,000			
DEPT. OF ENVIROMENTAL SERVICES	7/1/2024	1,500,000					150,000									
FORESTRY COMMISSION	3/28/2023	200,000					100,000	100,000						1,000,000		
DEPT. OF HEALTH & HUMAN SERVICES	6/9/2021	600,000					300,000									3,000,000
DEPT OF JUVENILE JUSTICE	12/17/2020	500,000						100,000	25,000	5,000						
DEPT. OF LABOR, LICENSING & REGULATION	6/18/2024	100,000														
DEPT. OF MOTOR VEHICLES	5/12/2020	350,000					150,000									
DEPT. OF NATURAL RESOURCES	3/28/2023	300,000						250,000	50,000							
DEPT. OF PARKS, RECREATION & TOURISM	5/31/2022	250,000						250,000	250,000	50,000						
DEPT. OF PUBLIC HEALTH	7/1/2024	3,000,000					500,000		100,000		12,000,000					
DEPT. OF PUBLIC SAFETY	8/30/2022	500,000					100,000		25,000	5,000						
DEPT. OF SOCIAL SERVICES	3/30/2021	100,000					100,000									2,000,000
STATE LAW ENFORCEMENT DIVISION	8/30/2022	250,000					100,000									
DEPT. OF TRANSPORTATON	12/10/2019				1,000,000	500,000	100,000	500,000	100,000	25,000						
RECOMMENDED	8/18/2026		3,000,000	1,500,000			100,000	500,000	100,000	25,000					5,000,000	
VOCATIONAL REHABILITATION	10/15/2019	250,000					100,000	250,000	100,000	25,000						
RECOMMENDED	8/18/2026	100,000					100,000	250,000	100,000	25,000						

AGENCY: Division of Procurement Services

SUBJECT: Audit and Certification - South Carolina Vocational Rehabilitation Department

The S.C. Consolidated Procurement Code and ensuing regulations (Procurement Code) authorize agencies to make direct procurements up to $50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§ 11-35-1210 (1), 1560, and 1570, and Regulation 19-445.2000C(1). The Code authorizes the Authority to authorize additional procurement authority by assigning dollar limits below which an agency may make direct procurements. On October 15, 2019, the Authority delegated procurement authority to South Carolina Vocational Rehabilitation Department (SCVRD) as follows:

Procurement Area	**Certification $ Limits**
Supplies and Services	250,000 per commitment
Information Technology	100,000 per commitment
Construction Contract Award	250,000 per commitment
Construction Contract Change Order	100,000 per change order
Architect/Engineer Contract Amendment	25,000 per amendment

In accordance with S.C. Code Ann. § 11-35-1230, the Division of Procurement Services (DPS) audited the procurement operating policies and procedures of SCVRD to determine whether the internal controls of the Agency's procurement system were adequate to ensure compliance, in all material respects, with the Procurement Code. The audit revealed a number of procurement and P-Card deficiencies. The Agency has started implementation of the recommended corrective actions and upon completion of the corrective actions, the internal controls of the SCVRD's procurement system will be adequate to ensure compliance with the Procurement Code as described in the audit report.

Based on the audit findings, DPS recommends the Authority to take the action set forth in Section 4 below, including reducing SCVRD's authority to make direct procurements for Supplies & Services.

AGENCY: Division of Procurement Services

SUBJECT: Audit and Certification - South Carolina Vocational Rehabilitation Department

AUTHORITY ACTION REQUESTED:

Authorize South Carolina Vocational Rehabilitation Department (SCVRD) to make direct procurements at the following limits for three years from date of approval:

Procurement Area	**Certification $ Limits**
Supplies and Services[1]	100,000 per commitment*
Information Technology[2]	100,000 per commitment*
Construction Contract Award	250,000 per commitment*
Construction Contract Change Order	100,000 per change order*
Architect/Engineer Contract Amendment	25,000 per amendment*

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

Require SCVRD to reduce active P-Cards by 50% to 54 or less for a year. The Agency shall reduce its active cards to this amount within 30 days of receipt of this report and provide the Division of Procurement Services (DPS) with lists of both cancelled and active cards. In addition, the Agency must revise its P-Card manual and submit it to DPS for approval within 90 days of receipt of this report. Failure to submit a revised P-Card manual to DPS within the required time frame will result in the suspension of all P-Cards until DPS receives the manual.

ATTACHMENTS:

Agenda item worksheet and attachment

[1] Supplies and Services includes non-IT consulting services.
[2] Information Technology includes consultant assistance for any aspect of information technology, systems, and networks.

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 19, 2026, **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**
   South Carolina Vocational Rehabilitation Department

3. **Summary and Background Information:**

The S.C. Consolidated Procurement Code and ensuing regulations (Procurement Code) authorize agencies to make direct procurements up to $50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§ 11-35-1210 (1), 1560, and 1570, and Regulation 19-445.2000C(1). The Code authorizes the Authority to authorize additional procurement authority by assigning dollar limits below which an agency may make direct procurements. On October 15, 2019, the Authority delegated procurement authority to South Carolina Vocational Rehabilitation Department (SCVRD) as follows:

Procurement Area	Certification $ Limits
Supplies and Services	250,000 per commitment
Information Technology	100,000 per commitment
Construction Contract Award	250,000 per commitment
Construction Contract Change Order	100,000 per change order
Architect/Engineer Contract Amendment	25,000 per amendment

In accordance with S.C. Code Ann. § 11-35-1230, the Division of Procurement Services (DPS) audited the procurement operating policies and procedures of SCVRD to determine whether the internal controls of the Agency's procurement system were adequate to ensure compliance, in all material respects, with the Procurement Code. The audit revealed a number of procurement and P-Card deficiencies. The Agency has started implementation of the recommended corrective actions and upon completion of the corrective actions, the internal controls of the SCVRD's procurement system will be adequate to ensure compliance with the Procurement Code as described in the audit report.

Based on the audit findings, DPS recommends the Authority to take the action set forth in Section 4 below, including reducing SCVRD's authority to make direct procurements for Supplies & Services.

4. **What is Authority asked to do?**

Authorize South Carolina Vocational Rehabilitation Department to make direct procurements at the following limits for three years from date of approval:

Procurement Area	Certification $ Limits
Supplies and Services[1]	100,000 per commitment*
Information Technology[2]	100,000 per commitment*
Construction Contract Award	250,000 per commitment*
Construction Contract Change Order	100,000 per change order*
Architect/Engineer Contract Amendment	25,000 per amendment*

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

Require SCVRD to reduce active P-Cards by 50% to 54 or less for a year. The Agency shall reduce its active cards to this amount within 30 days of receipt of this report and provide DPS with lists of both cancelled and active cards. In addition, the Agency must revise its P-Card manual and submit it to DPS for approval within 90 days of receipt of this report. Failure to submit a revised P-Card manual to DPS within the required time frame will result in the suspension of all P-Cards until DPS receives the manual.

[1] Supplies and Services includes non-IT consulting services.
[2] Information Technology includes consultant assistance for any aspect of information technology, systems, and networks.

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

5. What is recommendation of the submitting agency involved?

Authorize the South Carolina Vocational Rehabilitation Department to make direct procurements at the limits set forth above for three years and require the Agency to implement the measures set forth above.

6. Private Participant Disclosure – Check one:

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

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

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

7. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Office Name: _____

8. List of Supporting Documents:

(a) Procurement Audit Report
(b) S.C. Code Ann. § 11-35-1230
(c) S.C. Code Ann. § 11-35-1210

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



South Carolina
Vocational Rehabilitation Department

INDEPENDENT PROCUREMENT AUDIT REPORT

for the Audit Period:
October 1, 2021, to September 30, 2024

Office of Audit & Certification
Division of Procurement Services
June 29, 2026

Table of Contents

	Page
Abbreviations	1
Introduction	2
Scope	4
Summary of Results	5
Results of Audit	8
Certification Recommendation	23

Abbreviations

Cardholder – Purchasing Card Holder
Code – SC Consolidated Procurement Code and ensuing Regulations
DPS – Division of Procurement Services
PI Manual – Manual for Planning and Execution of State Permanent Improvements
MCC – Merchant Category Codes
MMO – Materials Management Office
OCG – Office of the Comptroller General
PCA – Purchasing Card Administrator
P-Card – Purchasing Card
PO – Purchase Order
SCBO – South Carolina Business Opportunities
SFAA – State Fiscal Accountability Authority
State P-Card Policy – SC Purchasing Card Policy and Procedures
State PO Policy – State of South Carolina Statewide Purchase Order Policy
STL – Single Transaction Limit

Introduction

DPS audited the South Carolina Vocational Rehabilitation Department's (SCVRD) internal procurement operating policies and procedures, as outlined in their internal Procurement Operating Procedures Manual, under § 11-35-1230 of the Code and Reg. 19-445.2020.

The primary objective of our audit was to determine whether, in all material respects, the internal controls of SCVRD's procurement system were adequate to ensure compliance with the Code.

The management of SCVRD is responsible for the agency's compliance with the Code. Those responsibilities include the following:

- Identifying the agency's procurement activities and understanding and complying with the Code
- Establishing and maintaining an effective organization structure and system of internal control over procurement activities that provide reasonable assurance that the agency administers its procurement programs in compliance with the Code
- Establishing clear lines of authority and responsibility for making and approving procurements
- Documenting the agency's system of internal control over its procurement activities in an internal procurement procedure manual
- Taking corrective action when instances of noncompliance are identified, including corrective action for the findings of this audit

Because of inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that compliance with the procedures may deteriorate.

Our review and evaluation of the system of internal control over procurement transactions, as well as our overall audit of procurement policies and procedures, was conducted with professional care. However, because of the nature of audit testing, they would not necessarily disclose all weaknesses in the system.

Background: During fieldwork SCVRD experienced turnover in key procurement roles. The Procurement Manager position became vacant on June 6, 2025, and recruitment for a Procurement Manager II is underway. SCVRD has a Procurement Manager 1 starting on December 17, 2025. Interim coverage was provided by the Director of Grants & Fund Management and the Agency Chief of Staff. As a result, some historical files and documentation were not readily available. This information is provided as context and does not alter the audit objectives or criteria.

Introduction

Our audit was also performed to determine if recertification under SC Code Ann. § 11-35-1210 is warranted.

On October 15, 2019, SFAA granted SCVRD the following procurement certifications:

PROCUREMENT AREA	CURRENT CERTIFICATION $ LIMITS
Supplies and Services	250,000 per commitment*
Information Technology	100,000 per commitment*
Construction Contract Award	250,000 per award*
Construction Contract Change Order	100,000 per change order
Architect/Engineer Contract Amendment	25,000 per amendment

During the audit SCVRD did not request an increase in its certification limits.

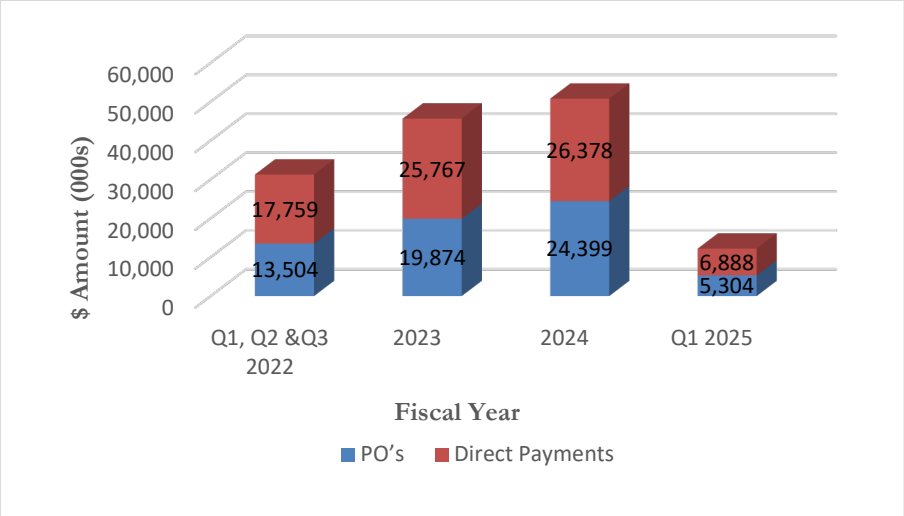
Scope

We conducted our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Our audit included testing, on a sample basis, evidence about SCVRD's compliance with the Code for the period October 1, 2021, through September 30, 2024, the audit period, and performing other procedures that we considered necessary in the circumstances. We reviewed all sole source and emergency procurements for the period October 1, 2018, to September 30, 2024, in accordance with Proviso 117.4. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Total Expenditures

During the audit period, the agency made expenditures as follows:

	$ Amount (000s)				
	Q2, 3, 4 FY2022	FY2023	FY2024	Q1 FY2025	Total
POs[1]	13,504	19,874	24,399	5,304	63,081
Direct Pay[2]	17,759	25,767	26,378	6,888	76,792
Total Spend	**31,263**	**45,641**	**50,777**	**12,192**	**139,873**



[1] **POs** represents all expenditures made with a Purchase Order. These are required for most contract purchases by the terms of the contract and is the preferred procurement instrument when a government unit orders or procures supplies or services from a vendor.

[2] **Direct Pays** are made without purchase order based on the State PO Policy. These may occur with purchases of supplies or services that are exempt from the Code or for such things as payment for P-Card purchases or purchases less than $2,500.

Summary of Results

PAGE

I. Supplies, Services, and IT

A. Contract Awarded to Non-Responsive Bidder 8

SCVRD awarded one contract to a non-responsive bidder.

B. Competition Not Obtained for Small Purchases 8

SCVRD did not obtain the required competition for three small purchases.

C. Inappropriate Use of Procurement Code Exemptions 9

SCVRD inappropriately applied the Vocational Rehab Industries exemption to a warehouse lease.

D. Market Research Not Performed 9

SCVRD did not perform market research for four procurements.

E. No Justification for Selected Procurement Method 10

SCVRD awarded one contract through a request for proposal without the required justification.

II. Direct Pays

A. Agency Procedures Lacked a PO Policy 10

SCVRD does not have a policy stipulating when POs are required.

B. Inappropriate Use of Exemption 11

SCVRD had six purchases which were inappropriately treated as exempt from competition.

III. Sole Source Procurements

A. Inappropriate Sole Source Determinations 12

SCVRD made five inappropriate sole source determinations.

B. Required Written Determinations Lacked Authorization 12

SCVRD had 33 sole source procurements that were not properly authorized.

C. Sole Source Procurements Lacked Public Notice 13

SCVRD did not post public notice for two sole source procurements greater than $50k.

IV. Emergency Procurements

A. Inappropriate Use of Emergency Procurement 14

SCVRD used emergency procurements to get the same services for over two years rather than acquiring competition.

Summary of Results

PAGE

B. Written Determinations Not Properly Authorized 14

SCVRD had 15 emergency procurements that were not properly authorized.

V. Construction

Certification of Liability Insurance Not Obtained 15

SCVRD did not obtain certification of liability insurance for two construction projects.

VI. P Cards

Program Administration

A. Insufficient P-Card Manual 16

SCVRD's internal P-Card manual is insufficient and does not address key elements of the State P-Card Policy.

B. Independent Audit of P-Cards Not Performed Annually 16

SCRVD did not perform periodic independent audits of the P-Card program as required.

C. No P-Card Liaisons Roles Assigned 17

SCVRD had 39 cardholders that were not assigned to a liaison and 18 cardholders that acted as their own liaisons.

D. Inactive P-Cards Not Cancelled 17

SCVRD had four P-Cards that had not been used in over a year and three P-Cards that had never been used.

E. STL Greater than $2,500 Not Approved 17

SCVRD had two cardholders with permanent STLs greater than $2,500 for which no governing board or agency head approval was obtained. In addition, the Agency had 19 cardholders that exceeded their STL's without proper approvals.

F. Blocked MCCs 18

SCVRD cardholders made 36 purchases with blocked MCCs without obtaining prior approvals from OCG.

G. Mandatory State Term Contract Not Used 18

SCVRD had 54 P-Card purchases from non-contract vendors.

H. Split Transactions 19

SCVRD had 11 cardholders that split 52 purchases totaling approximately $199k during the audit period to avoid their STL.

Summary of Results

PAGE

I. Procurement Lacked Required Competition 19

SCVRD made 438 P-Card transactions and spent approximately $625k on food products with one vendor without obtaining the required competition.

Transaction Testing

A. Supporting Documentation Not Provided 20

SCVRD did not provide two bank statements for the 25 transactions selected for testing.

B. P-Card Not Secured and Misused by Another 20

SCRVD had one cardholder who made a purchase of $168 which was made by someone other than the cardholder and the items were shipped to the purchaser's home address.

VII. **Purchase Orders Generated Outside of SCEIS** 21

Purchase Orders for consumer supplies and services generated outside of SCEIS.

Note: The agency's responses to the recommendations made in this report are attached after the report.

Results of Audit

I. Supplies, Services and IT

We audited expenditures exceeding $10,000 made with POs, and expenditures made without a PO to determine compliance with the Code.

Our review of procurements for the audit period identified the following issues:

A. Contract Awarded to Non-Responsive Bidder

SCVRD solicited and awarded a contract totaling $118k via invitation for bid for software and site development. However, the vendor was a non-responsive bidder because the vendor submitted an RFP type of proposal which did not meet the requirements and criteria set forth in the invitation for bid.

Recommendation: We recommend SCVRD ensure that contract awards are only made to bidders deemed both responsive and responsible in accordance with SC Code § 11-35-1520 and related regulations. We further recommend that procurement staff receive refresher training on bid evaluation procedures, focusing on responsiveness and responsibility determinations to prevent future violations. This procurement should be reported to DPS as in violation of the Procurement Code per SC Reg.19-445.2015.

Agency Response

We will immediately review bidding processes and revise procedures to ensure responsiveness criteria are strictly evaluated. We will update the procurement training program agency wide over the next six months to correct and to prevent this adverse audit finding.

B. Competition Not Obtained for Small Purchases

SCVRD did not obtain the required bona fide quotes from a minimum of three qualified sources of supply or provide the required public notice for three small purchases greater than $10k but less than $25k totaling approximately $47k.

Recommendation: We recommend SCVRD develop and implement procedures to ensure any small purchases over $10k but less than $25k receive bona fide responsive and responsible written quotes from a minimum of three qualified sources unless adequate public notice is provided in SCBO. The result is that these three small purchases should be reported to DPS as in violation of the Procurement Code per SC Regs 19-445.2015.

Agency Response

We will execute a procurement training program agency wide over the next six months to correct and to prevent this adverse audit finding. The new senior Procurement staff (as of 04/02/2026) have directed the two incumbent staff members to review each shopping cart for adherence. One senior

staff member is tasked with daily oversight. Additionally, staff will prepare and distribute Agency wide a "Mini" Quick Reference Guide (in conjunction with the updated training program).

C. Inappropriate Use of Procurement Code Exemptions

SCVRD inappropriately applied the Vocational Rehab Industries exemption (Raw materials and related supplies to be exclusively used in the production of a finished product by clients for SCVRD on a contract basis with industry) to a warehouse lease for approximately $69k. Real property leases are not governed by the Code.

Recommendation: SCVRD should report this transaction to the Department of Administration, Division of Facilities Management and Property Services as a violation of the State's leasing laws and procedures. We further recommend that SCVRD develop and implement procedures and training to ensure the Vocational Rehab, Industries exemption is only applied to the "raw materials and related supplies to be exclusively used in the production of a finished product by clients for SCVRD on a contract basis with industry," per the terms of the exemption.

Agency Response

We will conduct training sessions over the next six months for relevant staff on leasing regulations as per South Carolina Code of Regulations Chapter 19; Article 4; Section 19-447.1000 (Leasing on Real Property) as well as the GASB 87 requirements and appropriate exemption(s) to ensure understanding and compliance. We will have an Exemption Policy and Procedure section added to the Agency and Procurement manuals.

D. Market Research Not Performed

SCVRD did not perform market research for four procurement contracts totaling approximately $830k per SC Reg. 19-445.2017 (A) (2).

Recommendation: We recommend SCVRD develop and implement procedures to ensure sufficient acquisition planning and market research is performed to support acquisitions of supplies, services, or information technology. DPS provides a Market Research Form on its website that may serve as a guide.

Agency Response

We will develop a market research framework over the next six months that will be applied to all future procurements to ensure informed decision making. A Market Research training procedure for staff will be implemented immediately. Procurement staff members (PM II and PM I) will be enrolled in the SFAA Acquisition Planning and Market Research online course.

E. No Justification for Selected Procurement Method

SCVRD awarded one contract totaling approximately $250K through a request for proposal without the required written determination that the use of competitive sealed bidding was not advantageous to the State as required by SC Code Ann § 11-35-1530 (1) (a).

Recommendation: We recommend SCVRD develop and implement procedures to ensure the required written determination is prepared for any source selected method other than Competitive Sealed Bidding for all solicitation. DPS provides sample form MMO 104 on its website that may serve as a guide.

Agency Response

The SC Consolidated Procurement Code states that any method of a procurement other than the State's "preferred method - IFB" must be documented and justified in writing. We are now using the SFAA/SPO official "Checklist for Each Stage of the Procurement Process". ALL Procurement office staff and all agency solicitation requesters will be trained and required to utilize this checklist. Senior Procurement staff will review all solicitations to ensure compliance.

II. Direct Pays

We tested 25 purchases made without a PO for compliance with the Code.

A. Agency Procedures Lacked a PO Policy

SCVRD's policy and procedures did not address when purchases were permitted to be made without a purchase order. When asked for an explanation as to why selected purchases were made without a PO, SCVRD procurement staff indicated that 'procurement is not involved in the process and has no knowledge of the transaction or how they were paid.' SCVRD Accounts Payable explained that it 'uses the DP policy on the CG's Office website as their guide to determine if the invoice can be paid using the direct pay process.'

The risk of procurements in violation of the Procurement Code is increased without a policy that requires POs unless specified conditions are met. Per the State PO Policy, "A Direct Pay is a payment method only. It does not establish compliance with the SC Consolidated Procurement Code & Regulations or other State regulations." In addition, the State PO Policy states, Direct Payments "should not be used as a matter of convenience as it leads to a reduction in controls and approvals." Making purchases above the Code's competition threshold without competition, or in accordance with a documented policy specifying when competition is not required, is a control weakness.

Recommendation: We recommend SCVRD revise its internal procurement procedures to require the use of POs unless specified circumstances are present for Direct Payment. The State PO

Policy provides guidance on when a direct payment is acceptable. Accepted practice is for all procurements greater than $10k be processed by procurement staff unless direct payment meets conditions provided in the policy. We also recommend the Agency send its revised internal procedures to DPS for approval.

Agency Response

SCVRD will work with the State's Audit and Certification staff to develop a Direct Pay policy within the next four months. This policy will be added to the Agency and Procurement Policy and Procedures manuals. Staff will be fully trained, and implementation will commence once the policy is developed and approved.

B. Inappropriate Use of Exemption

SCVRD processed six procurements totaling approximately $180k for prosthetic devices which it treated as exempt from competition based on its interpretation of 34 CFR § 361.52 Informed Choice which requires that applicants and recipients of services be provided information and support services to assist them to exercise informed choice. 34 CFR § 361.53 – Comparable Services and Benefits provides that a state plan for provision of vocational rehabilitation services must, except for a list of six exempt services, first determine whether those services are available to qualified individuals under any other program.

The referenced Federal law provides guidance to states in developing written policies and procedures to enable applicants or recipients to exercise informed choice throughout the vocational rehabilitation process. Agency policy CSP 4.40 – Diagnosis and Treatment of Impairments provides standards and guidance for SCVRD's provision of physical and mental restoration services to a consumer for a list of services including prosthetic and orthotic devices, which allows counselors to consider payment of the consumer's portion when the consumer demonstrates financial need. SCVRD also has a MOUs with SCDHHS, DDSN, and DMH for the coordination of relevant benefits.

While enabling legislation and federal law require informed choice, and the identification of comparable services and benefits available under any other program, there is no exemption from the Procurement Code for services required of SCVRD. SCVRD has historically made purchases to provide for patients' preferences without competition, and therefore these transactions were made in violation of competitive procurement procedures required by SC Code Ann § 11-35-1550 (2) (b).

Recommendation: At its June 16, 2026, meeting the State Fiscal Accountability Authority exempted SCVRD's acquisition of certain consumer supplies and services resolving this finding.

However, we recommend SCVRD train its counselors on its internal policy CSP 4.40, section 3.3 regarding Comparable Services and Benefits.

Agency Response

SCVRD will add an Exemption policy to the Agency and Procurement manuals and provide to DPS.

III. Sole Source Procurements

Written determinations for all sole source procurements pursuant to SC Code Ann. § 11-35-1560, were evaluated to assess the appropriateness of the procurement actions and the accuracy of the quarterly reports required by § 11-35-2440. During the audit period SCVRD reported 74 sole source procurements totaling approximately $3.27M to DPS.

A. Inappropriate Sole Source Determinations

SCVRD conducted five sole source procurements totaling approximately $1.1M that were inadequate to justify the vendor was the only one available for the products and services purchased. The Agency failed to adequately describe the agency's need for the goods or services and did not include documentation of market research conducted to support the sole source justification per SC Reg 19-445.2105 (C)(2). These procurements should be reported to DPS as in violation of the Procurement Code as required by SC Reg.19-445.2015.

Recommendation: We recommend SCVRD develop and implement procedures to ensure compliance with SC Code Ann. § 11-35-1560, and SC Reg 19-445.2105 (C)(2) regarding sole source determinations, and that competition be solicited whenever there is reasonable doubt.

Agency Response

Senior staff currently reviews all sole source determination processes and has implemented additional checks to ensure all sole source justifications align with regulatory requirements. We have also implemented use of the SFAA/SPO official "Checklist for Each Stage of the Procurement Process". All Procurement office staff and all agency solicitation requesters will be trained and required now to utilize this checklist. Senior Procurement staff will review all solicitations to ensure compliance. Additionally, no Sole Source procurements will be processed outside of the SCVRD State Office Procurement Department without use of the State's Form MMO_102_4-17-25.

B. Required Written Determinations Lacked Authorization

SCVRD had 33 sole source procurements totaling approximately $2.6M that were approved by three personnel without delegated sole source approval authority from the Commissioner of SCVRD

per § 11-35-1560 & Reg 19-445.2105. The result is that these 33 sole source procurements should be reported to DPS as in violation of the Procurement Code per SC Regs 19-445.2015.

Recommendation: We recommend that SCVRD develop and implement procedures to ensure that written determinations are prepared and properly authorized for all sole source procurements as required by the Code. Any delegation of sole source approval authority by the Commissioner must be submitted in writing to the MMO. We also recommend that SCVRD report all 33 sole source procurements to DPS as in violation of the Procurement Code per SC Reg 19-445.2015.

Agency Response

Over the next six months we will implement a standardized process for obtaining necessary approvals and authorizations for all written determinations before procurement decisions. We have implemented use of the SFAA/SPO official "Checklist for Each Stage of the Procurement Process". Henceforth, all Procurement office staff and all agency solicitation requesters will be trained and required to utilize this checklist. Senior Procurement staff will review all solicitations to ensure compliance.

C. Sole Source Procurements Lacked Public Notice

SCVRD did not post public notice for two sole source procurements greater than $50k totaling approximately $416k as required by Regulation 19-445-2105.D(2).

Recommendation: We recommend that SCVRD develop and implement procedures, including management review and approval, to ensure that sole source procurements are properly advertised in SCBO as required.

Agency Response

We will establish a clear policy over the next six months to ensure that all sole source procurements are posted publicly, in compliance with regulations, including clear written documentation(s) made to notify the public. We have implemented use of the SFAA/SPO official "Checklist for Each Stage of the Procurement Process". Henceforth all Procurement office staff and all agency solicitation requesters will be trained and required to utilize this checklist. Senior Procurement staff will review all solicitations to ensure compliance with the Code and Form MMO_102_4-17-25.

IV. Emergency Procurements

All written determinations for emergency procurements made pursuant to SC Code Ann. § 11-35-1570 were evaluated to assess the appropriateness of the procurement actions and the accuracy of the quarterly reports required by § 11-35-2440. SCVRD conducted 17 emergency procurements totaling $1,356,714 during the audit period.

Results of Audit

A. Inappropriate Use of Emergency Procurement

SCVRD initially declared an emergency procurement for security guard services at their Greenville office location in 2019 and stated in the written determination that they would solicit a new contract to meet the security needs. However, six emergency procurements totaling approximately $281k were used to obtain security services over a two-year period rather than competitively solicit a new contract to meet the needs of the Agency.

These procurements beyond the initial one did not meet the definition of an emergency per SC Regs 19-445.2110 (B).

Recommendation: We recommend the Agency develop and implement procedures to ensure emergency procurements are limited to circumstances that meet the definition of an emergency under Reg. 19-445.2110. We also recommend all future instances where contracts are expiring and require extension to facilitate solicitation of competition, be reported to the CPO prior to contract extension by emergency declaration. We further recommend that the Agency develop procedures to ensure that procurements requiring longer lead times can be identified and accommodated, and that the procurement office develops procedures to track contract expiration dates. These five procurements should be reported to DPS as in violation of the Procurement Code per SC Regs 19-445.2015.

Agency Response

We will review and revise our Emergency Procurement procedures to ensure they align with regulatory requirements, including stricter criteria for defining emergency situations. We have implemented the SFAA/SPO official "Checklist for Each Stage of the Procurement Process". All Procurement office staff and all agency solicitation requesters will be trained and required to utilize this checklist. Senior Procurement staff will review all solicitations to ensure compliance. Additionally, no Sole Source procurements will be processed outside of the SCVRD State Office Procurement Department without use of the State's Form MMO_103_5-23-25.

B. Written Determinations Not Properly Authorized

SCVRD had 15 emergency procurements totaling approximately $1.1M during the audit period that were approved by the Director of Administration without delegation of approval authority by the Agency director per SC Code Ann §11-35-1570 (A).

Recommendation: We recommend that SCVRD develop and implement procedures to ensure that written determinations are prepared and properly authorized for all emergency procurements as required by the Code. We also recommend that SCVRD report all fifteen emergency procurements to DPS in violation of the Procurement Code per Reg 19-445.2015.

Agency Response

We will establish a protocol over the next six months to ensure that written determinations are reviewed and approved by the appropriate authorities before being finalized. This will include training staff in proper authorization processes. All Procurement office staff and all agency solicitation requesters will be trained and required to utilize the SFAA/SPO procurement process checklist and senior Procurement staff will review all solicitations to ensure compliance. The changes in policy will be documented in the SCVRD Procurement Manual.

V. Construction

We tested construction, architectural/engineer and related professional service contracts for compliance with the Code and the PI Manual.

Certification of Liability Insurance Not Obtained

SCVRD did not obtain certification of liability insurance coverage for two construction projects totaling approximately $100k from the awarded contractors before contract performance per SC Code of Regs 19-445.2145 (L).

Recommendation: We recommend that SCVRD develop and implement procedures to ensure the certificate of liability insurance coverage is obtained for all construction projects prior to contract performance.

Agency Response

We will establish a verification process over the next six months to ensure that all construction projects have the requisite certification of liability insurance before the commencement of any work. This will include revising our project initiation checklist to include mandatory insurance verification.

VI. P-Cards

SCVRD had 161 P-Cards in use during the audit period and spent $3,107,553 in 14,535 transactions. Based on the volume of usage, there is increased risk that misuse or abuse of P-Cards will not be prevented or detected without adequate management oversight.

Program Administration

We reviewed SCVRD's P-Card Policy and Procedures for compliance with the State P-Card Policy and identified weaknesses in program oversight.

Results of Audit

A. Insufficient P-Card Manual

We reviewed the SCVRD's internal P-Card Procedure Manual for compliance with State P-Card Policy and identified areas of non-compliance. The following key areas were omitted from the Agencies' manual.

1) Procedures for obtaining board approval for increasing STLs greater than $2,500.
2) Procedures for supervisors'/managers signing and dating monthly bank statements.
3) Procedures for appropriate hierarchical review and approval of transactions.
4) Procedures for the monitoring of accounts for inactivity and promptly closing cards that are no longer needed.
5) Procedures for obtaining approval to use blocked MCCs in appropriate circumstances.

Recommendation: We recommend SCVRD revise its internal P-Card Manual to document internal control procedures to ensure compliance with key requirements in the State P-Card Policy. Procurement Services' website has a P-Card Manual Checklist that may be of assistance in revising the manual.

Agency Response

We have updated the SCVRD P-Card Policy to meet the auditor's requirements and aligned it with the SFAA P-Card Manual Checklist to meet all state standards.

B. Independent Audit of P-Cards Not Performed Annually

Independent audits of P-Card activity had not been performed annually by the Agency as required by Section (V) (6) of the State P-Card Policy. SCVRD performed an independent audit of P-Card use for calendar year 2023, but not annually. One year after sixteen findings and five observations were reported on the independent P-Card audit report performed by SCVRD internal auditors, nine out of twenty-one correction actions had not been fully implemented. Due to lack of management oversight, seven corrective actions were not effective because the same findings were repeated in this audit.

Recommendation: We recommend SCVRD develop and implement an internal policy for the provision of an annual independent review of all areas of P-Card program administration and transactions.

Agency Response

SCVRD's Internal Audits Manager has begun discussions with SCVRD's Policy and Internal Control Unit to develop and implement an internal policy for an annual audit of SCVRD's P-Card program. We anticipate the manuals and controls will be implemented within four months.

C. No P-Card Liaisons Roles Assigned

SCVRD had 39 cardholders that were not assigned to a liaison and 18 cardholders that acted as their own liaisons. State P-Card Policy V-A (1) (3) (4) requires appropriate separation of duty between review and approval of transactions and no cardholder may approve his/her own transactions.

Recommendation: We recommend SCVRD assign liaisons in accordance with State P-Card Policy. We further recommend that SCVRD update its internal P-Card Manual to include documented monthly reviews by liaisons. Accepted practice is to use a checklist to document and ensure an effective review of each purchase.

Agency Response

We have assigned liaisons to all cardholders. This assignment is documented on the SCVR 795 Cardholder Agreement form. We updated the SCVRD P-Card policy to a monthly documented review of cardholders' purchases. We have created the SCVRD 797 P-Card Liaison Review Checklist to document this review.

D. Inactive P-Cards Not Cancelled

SCVRD had four P-Cards that had not been used in over a year and three P-Cards that had never been used. State P-Card Policy Section III (A) (1)(a) (xi) requires monitoring for inactive cards and promptly closing accounts and cards that are no longer needed.

Recommendation: We recommend SCVRD perform a documented review for inactive P-Cards annually and promptly close all inactive accounts or document the reason(s) for keeping them open. We further recommend SCVRD revise its internal P-Card Manual to include the annual review requirement.

Agency Response

The identified P-Cards have been cancelled. We have updated the SCVRD P-Card policy to include procedures for reporting inactive P-Cards and an annual review of all P-Cards for inactivity. The SCVRD P-Card Coordinator will diligently monitor P-Card usage to ensure cards that are not used for a maximum of six months are promptly cancelled.

E. STLs Greater Than $2,500 Not Approved

SCVRD had two cardholders with permanent STLs greater than $2,500 for which no governing board or agency head approval was obtained as required by the State P-Card Policy II (D). In addition, 19 cardholders made 75 purchases totaling approximately $235k which exceeded their STLs without prior approval as required by the State P-Card Policy Section II (B) (2).

Recommendation: We recommend SCVRD develop and implement procedures to require that all P-Card transactions exceeding the STL of $2,500 have documented preapproval in accordance with State P-Card Policy and we further recommend that any cardholders with permanent STL greater than $2,500 obtain agency head approval.

Agency Response

We conducted an audit of all P-Card STL. Currently SCVRD does not have active p-cards with an STL of $2,500 or greater. We have updated the SCVRD P-Card policy to include procedures for assigning STL of greater than $2,500. As the monitoring and training is tracked, SCVRD will seek approval for temporary STL from the Agency head, as warranted. In the meantime, we will continue our limit of $2,500.

F. Blocked MCCs

SCVRD made 36 purchases during the audit period totaling approximately $10k using blocked MCCs. SCVRD did not obtain prior approvals from the OCG to unblock MCCs per State P-Card Policy III C (4).

Recommendation: We recommend SCVRD revise its internal P-Card policies to reinforce the prohibition against the use of blocked MCC codes without prior approval. Additionally, we recommend SCVRD retrain cardholders and reviewers to ensure compliance with State and internal P-Card Policy on the importance of adhering to MCC restrictions and the process for obtaining pre-approvals.

Agency Response

It was SCVRD's understanding that purchases made to vendors with blocked MCC would automatically be declined. After reaching out to SFAA for guidance, we were informed that it is SCVRD's responsibility to ensure that Bank of America has the correct MCC blocked in their system. We have updated the SCVRD P-Card policy to include procedures requesting purchases from blocked MCC are thoroughly vetted by the CG's Office.

G. Mandatory State Term Contract Not Used

SCVRD had 54 purchases totaling approximately $10K from non-contract vendors which were available from vendors on mandatory state term contracts per SC Code Ann 11-35-310 (37).

Recommendation: We recommend SCVRD procure all required supplies, services, and information technology through state term contracts whenever possible.

Agency Response

We agree with the finding for the purchase of office supplies from non-contact vendors. We have sent a directive to all P-Card users regarding the usage of SC State Term Contracts as well as addressing this with new employees' (if assigned a P-Card) initial training and set-up, as well as in SCVRD's annual training/recurrency training sessions.

H. Split Transactions

SCVRD had 11 cardholders that split 52 purchases totaling approximately $199k during the audit period to avoid their STL. State P-Card Policy Section IV (C) prohibits splitting transactions to avoid the STL and further provides that doing so may result in revocation of P-Card privileges.

Recommendation: We recommend SCVRD comply with State P-Card Policy Section IV (C), as well as its internal policy, which prohibits split purchases. We further recommend that cardholders receive additional training, and that documented liaison reviews include checking for split purchases.

Agency Response

We have sent a directive to all P-Card users regarding their assigned STL which includes training on "split transactions" during new employees' (if assigned a P-Card) initial training and set-up as well in SCVRD's annual training/recurrency training sessions.

I. Procurement Lacked Required Competition

SCVRD had 438 P-Card transactions and spent approximately $625k on food products with one vendor without competition. One cardholder spent approximately $314k with 148 transactions on this vendor during audit period. This finding was also reported in SCVRD independent P-Card audit. SCVRD has not taken any steps to solicit a food contract as recommended by the independent audit.

Recommendation: We recommend SCVRD solicit a food contract using a competitive method in accordance with § 11-35-1520 and that food purchases not be made with a P-Card.

Agency Response

This audit finding references use of P-Card(s) to purchase food products. The resulting recommendation is for SCVRD to solicit a food contract. Senior Procurement staff will work with the SCVRD departments responsible for food services to determine the scope of what food purchases; needs, requirements, etc. are currently being procured. We will seek assistance from other state agencies (Department of Corrections, DJJ, the Commission for the Blind, DSS, DDSN, etc.) who also procure food services in formulating a Scope of Work and accompanying documentation to forward to SFAA for a solicitation and procurement process(es). We anticipate the market research, collaboration with other state agencies and development of the Scope will take six to nine months

prior to forwarding to SFAA. In the meantime, senior Procurement staff will meet with the SCVRD staff responsible for the improperly procured food purchases. We will demand they adhere to the Code requirements and regulations until a contract, or contracts are awarded. They will be advised of the consequences of improper use of the P-Card for such purchases; up to and including cancellation of their P-Card.

P-Card Transaction Testing

We performed tests of P-Card transactions to ensure compliance with State and Agency P-Card policies and procedures. Transaction testing identified two areas of non-compliance, which were not identified by the PCAs or supervisor/approvers during the monthly review and reconciliation of cardholder statements.

A. Supporting Documentation Not Provided

SCVRD did not provide two bank statements of the 25 transactions selected for testing per State P-Card Policy III (D) (1) (i) and III (D) (5).

Recommendation: We recommend SCVRD follow its policies regarding documentation and retention of P-Card transactions.

Agency Response

Effective March 1, 2025, all cardholders are required to upload their P-Card statement and receipts into the P-Card Statement Upload program on SCVRD's Application Menu. We updated the SCVRD P-Card policy to include procedures for uploading monthly P-Card statements into SCVRD's Application Menu.

B. P-Card Not Secured and Misused by Other

SCRVD had one cardholder who made a purchase of $168 which was made by someone other than the cardholder and the items were shipped to the purchaser home address. Use of P-Card by a person other than the cardholder is unauthorized and strictly forbidden by the State P-Card Policy IV (A) and no deliveries are allowed to be made to other than the business address per State P-Card Policy III (C).

Recommendation: We recommend SCVRD develop a liaison monthly P-Card review checklist. This documented review of transactions for compliance with state and agency P-Card Policies should be completed prior to approving the P-Card statement. A sample checklist is available on DPS' website. We further recommend that this P-Card be terminated.

Agency Response

SCRVD had one cardholder who made a purchase of $168 which was made by someone other than the cardholder and the items were shipped to the purchaser home address. Use of P-Card by a person other than the cardholder is unauthorized and strictly forbidden by the State P-Card Policy IV (A) and no deliveries are allowed to be made to other than the business address per State P-Card Policy Ill (C). We updated the SCVRD P-Card policy to include a monthly documented review of cardholders' purchases. We have created the SCVR 797 P-Card Liaison Review Checklist to document this review. We have cancelled that P-Card.

VII. Purchase Orders Generated Outside of SCEIS

South Carolina Purchase Order Policy requires agencies using SCEIS to initiate procurements and obligate funds through SCEIS, issuing POs and maintaining approvals and supporting documentation within SCEIS. SCEIS controls (encumbrances, workflow approvals, three-way match and audit trail) are designed to safeguard public funds and ensure accurate statewide reporting.

During our review of prosthetics procurements for consumers, we found that the Agency procured supplies and services required by consumers using POs created outside of SCEIS. These purchases are then batched and processed as direct payments, by passing critical system controls in SCEIS.

Recommendation: We recommend that SCVRD revise its procedures to recast the numbers generated for acquisition of supplies and services to meet consumer needs as case management order numbers, and that these orders get fulfilled in accordance with the Code. These procedures would document consumer benefit approval and facilitate the agency's Federal reporting requirements by beneficiary. We further recommend that SCVRD draft procedures about how those numbers are controlled and used in fulfilling consumer needs.

Agency Response

SCVRD's internal Case Management System (CMS) programs will be modified to accommodate necessary changes within the Consumer Services workflow. For purchasing items totaling $2,500.00 or less, the current Direct Pay process will remain intact. The CMS system will be modified to automatically load purchases of $2,500.01 or more directly into the SRM/SCEIS platform for review, purchase order creation and payment. A new process will be implemented in CMS to reconcile data records with items created and paid in SRM/SCEIS.

Footnote

During the Audit period (October 1, 2021, to September 30, 2024) SCVRD experienced significant staff turnover in its Procurement Department. At one point there was only one employee in the Department. On April 2, 2026, two procurement staff (a PM II and a PM I) were hired. One has over 40 years of state government procurement experience and one has 30 years in state/local government and private corporate procurement experience.

Both were aware of this audit prior to their hire. They are committed to maintaining compliance with all applicable Code laws and regulations. They have begun and will continue to monitor all areas addressed in the SFAA Independent Procurement Audit Report to ensure compliance and to prevent recurrence. Both were employed with other state agencies. Their procurement knowledge of the Code & Regs is extensive. However, their knowledge of the SCVRD "mission and consumer services" is a daily ongoing training, observation(s), questioning, and assessments process. The SCVRD has approved an additional staff member which will bring the department to a staff of five. This will enable SCVRD to assign specific roles and responsibilities to ensure the agency's needs are met and performed in a timely, knowledgeable and efficient manner.

Certification Recommendation

SCVRD's controls are inadequate to ensure compliance with the South Carolina Consolidated Procurement Code and ensuing regulations, and based on the deficiencies identified in the report as provided in SC Code Ann. § 11-35-1210, we recommend that the Agency's procurement authority to make direct agency procurements be reduced to the following limits for three years:

PROCUREMENT AREA	RECOMMENDED CERTIFICATION $ LIMITS
Supplies and Services[1]	100,000 per commitment*
Information Technology[2]	100,000 per commitment*
Construction Contract Award	250,000 per commitment*
Construction Contract Change Order	100,000 per change order
Architect/Engineer Contract Amendment	25,000 per amendment

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

We also recommend the Agency reduce active P-Cards by 50% to 54 or less for a year.[3] The Agency shall reduce its active cards to this amount within 30 days of receipt of this report and provide DPS with lists of both cancelled and active cards. In addition, the Agency must revise its P-Card manual and submit it to DPS for approval within 90 days of receipt of this report. Failure to submit a revised P-Card manual to DPS within the required time frame will result in the suspension of all P-Cards until DPS receives the manual.

Edward Welch

Ed Welch
Audit Manager,
Audit & Certification

John St. C. White

John St. C. White
Materials Management Officer

[1] Supplies and Services including non-IT consulting services.
[2] Information Technology includes consulting services for any aspect of information technology, systems and networks
[3] This is a fifty percent reduction from the 104 active P-Cards the University had at the end of the audit period.

SECTION 11-35-1230. Auditing and fiscal reporting.

(1) The Division of Procurement Services, through consultation with the chief procurement officers, shall develop written plans for the auditing of state procurements.

(2) In procurement audits of governmental bodies thereafter, the auditors from the Division of Procurement Services shall review the adequacy of the governmental body's internal controls in order to ensure compliance with the requirement of this code and the ensuing regulations. A noncompliance discovered through audit must be transmitted in management letters to the audited governmental body and the board. The Division of Procurement Services shall provide in writing proposed corrective action to governmental bodies. Based upon audit recommendations, the board may revoke certification as provided in Section 11-35-1210 and require the governmental body to make all procurements through the appropriate chief procurement officer above a dollar limit set by the board, until such time as the board is assured of compliance with this code and its regulations by that governmental body.

SECTION 11-35-1210. Certification.

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

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

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

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

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

(b) responsiveness to user needs;

(c) obtaining the best prices for value received.

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

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

STATE FISCAL ACCOUNTABILITY AUTHORITY REGULAR SESSION

MEETING OF August 19, 2026 ITEM NUMBER 14

AGENCY: Division of Procurement Services

SUBJECT: Clemson University – Approval of Contract Duration

Section 11-35-2030(5) of the SC Consolidated Procurement Code limits the maximum potential duration for any contract to seven years unless the Authority approves a longer maximum potential duration. Clemson University seeks the Authority's authorization to solicit a contract with a duration up to fifteen (15) years for campus food service. The University's current contract was solicited with a maximum duration of seven years. The University only received one offer which was from the incumbent. The University has received feedback from potential offerors that a contract of seven-years duration is not long enough to recoup initial investment and be competitive. University officials believe a contract duration up to fifteen years will attract broader competition by allowing a new vendor a longer period to recoup its startup capital costs. The University also believes a longer contract duration will enable improved year-over-year financial performance, resulting in stronger competition, more innovative solutions, and greater long-term value for the University.

AUTHORITY ACTION REQUESTED:

Under authority of SC Consolidated Procurement Code Section 11-35-2030(5), approve Clemson University's request to solicit a food services contract with a duration up to fifteen (15) years, as recommended by the Division of Procurement Services.

ATTACHMENTS:

Agenda item worksheet and attachment

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

Meeting Scheduled for: 8/19/2026 **Regular Agenda**

1. **Submitted by:**
   (a) Agency: SFAA, Division of Procurement Services
   (b) Authorized Official Signature: John St. C. White
   Materials Management Officer
   Division of Procurement Svcs

2. **Subject:** Clemson University – Approval of Contract Duration.

3. **Summary and Background Information:**
Section 11-35-2030(5) of the SC Consolidated Procurement Code limits the maximum potential duration for any contract to seven years unless the Authority approves a longer maximum potential duration. Clemson University seeks the Authority's authorization to solicit a contract with a duration up to fifteen (15) years for campus food service. The University's current contract was solicited with a maximum duration of seven years. The University only received one offer which was from the incumbent. The University has received feedback from potential offerors that a contract of seven-years duration is not long enough to recoup initial investment and be competitive. University officials believe a contract duration up to fifteen years will attract broader competition by allowing a new vendor a longer period to recoup its startup capital costs. The University also believes a longer contract duration will enable improved year-over-year financial performance, resulting in stronger competition, more innovative solutions, and greater long-term value for the University.

4. **What is the Authority asked to do?** Under authority of SC Consolidated Procurement Code Section 11-35-2030(5), approve the University's request to solicit a food services contract with a duration up to fifteen (15) years.

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

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

7. **Recommendation of other office (as required)?** Approve the Authority action requested.
   (a) Authorized Signature: _____
   (b) Office Name:

8. **List of Supporting Documents:**

A- The University's Request
B- Section 11-35-2030(5) of the SC Consolidated Procurement Code
C- Extended terms previously approved by the Authority

---

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop. Supporting documentation should include all related agreements or approval requests (e.g., leases, contracts, permanent improvements, indebtedness, agenda items), either current or anticipated; or provide affirmation from the submitting agency that there are no related transactions.

Division of
FINANCE AND
OPERATIONS

July 28, 2026

John St. C. White
Materials Management Officer and State Engineer
Division of Procurement Services
SC State Fiscal Accountability Authority
1333 Main Street, Suite 700
Columbia, SC 29201

Dear Mr. White:

Clemson University respectfully requests approval to solicit the dining services contract with a potential duration of fifteen (15) years. The contract would consist of an initial ten (10) year term with the option to renew for one (1) additional five (5) year term. This structure provides the long-term stability necessary to promote continuous service improvements, support sustained customer service excellence, and encourage ongoing investments in staffing, technology, innovation, and operational performance throughout the life of the contract. The last time this contract was competitively solicited for 7 years, Clemson received only one responsive bid from the incumbent contractor. Following discussions with multiple prospective dining service providers, Clemson consistently received feedback that the previous seven-year contract term was insufficient for a new contractor to recover the startup and capital investments necessary to compete effectively. While Clemson is not requesting significant capital investment as part of this procurement, a new contractor will incur substantial startup costs associated with mobilization, staffing, technology, training, equipment, and operational implementation. A longer contract term allows contractors to recover those investments over a reasonable period, making the opportunity more attractive to a broader range of providers, including mid-sized and emerging firms. It also enables contractors to improve year-over-year operational and financial performance, resulting in stronger competition, more innovative solutions, and greater long-term value for Clemson University.

Campus dining services represent one of the University's most visible and impactful auxiliary operations, serving students, faculty, staff, and visitors every day. Successfully managing a comprehensive dining program requires significant planning, implementation, and ongoing operational oversight. The selected contractor must recruit and retain qualified management and frontline staff, establish comprehensive training programs, implement and maintain technology systems, coordinate complex supply chain operations, and continually adapt dining services to meet changing customer expectations. Because dining services operate in a dynamic environment, a longer contract term provides the stability necessary

CLEMSON UNIVERSITY
DIVISION OF FINANCE AND OPERATIONS
G-06 Sikes Hall Clemson, SC 29634
P 864-656-2421 | finops@clemson.edu | *www.clemson.edu/finops*

for continuous operational improvement, sustained investments in personnel and technology, and consistent delivery of high-quality customer service.

A longer contract horizon promotes strategic planning, operational innovation, and continuous program improvement. Rather than focusing on short-term operational objectives, contractors are better positioned to develop long-term solutions, introduce new dining concepts, invest in technology, enhance sustainability initiatives, and respond to evolving student expectations.

The requested contract duration is also consistent with procurement practices at peer public institutions. Publicly available information demonstrates that numerous public colleges and universities have approved dining services agreements with maximum contract terms of fifteen (15) years or longer. Examples include the University of South Carolina, the University of Virginia, the University of Kentucky, the University of South Florida, Temple University, the University at Albany (State University of New York), Western Kentucky University, and Austin Peay State University, among others. These institutions have similarly recognized that longer contract terms encourage vendor participation, support operational continuity, promote long-term service quality and innovation, and reduce the costs and disruptions associated with more frequent procurements.

For these reasons, Clemson University respectfully requests approval to solicit this procurement with a potential contract duration of fifteen (15) years, structured as an initial ten (10) year term with one (1) optional five (5) year renewal. This approach is expected to increase competition, promote long-term operational excellence, strengthen customer service, and provide the best overall value to Clemson University.

Respectfully submitted,



Richard Petillo
Clemson University
Senior Vice President for Finance and Operations
Chief Financial Officer

CLEMSON UNIVERSITY
DIVISION OF FINANCE AND OPERATIONS
G-06 Sikes Hall Clemson, SC 29634
P 864-656-2421 | finops@clemson.edu | *www.clemson.edu/finops*

Peer Benchmark and Recommendation

University	Contract Term	Vendor	Public Source
USC	15 Years	Aramark	Board/University
UVA	20 Years	Aramark	Board/University
Kentucky	15 Years	Aramark	University
USF	15 Years	Compass	University
Temple	15 Years	Aramark	University

Publicly available information from peer institutions demonstrates that dining services agreements with maximum contract terms of fifteen (15) years or longer are common among public colleges and universities. Clemson's benchmarking identified numerous institutions utilizing contract terms ranging from fifteen (15) to twenty (20) years. These institutions have determined that longer contract terms support operational continuity, encourage vendor investment in service quality and innovation, promote robust competition, and reduce the administrative costs associated with frequent procurements and contractor transitions. Clemson's proposed contract structure—an initial ten-year term followed by one optional five-year renewal period—provides these operational benefits while preserving a performance evaluation and renewal decision after the initial term.

SECTION 11-35-2030. Multiterm contracts.

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

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

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

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

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

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

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

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

Date of Approval	Agency	Item	Maximum Potential Duration
4/28/2015	University of South Carolina	Sports Marketing & Media Rights	10 years
3/8/2016	SC Educational Lottery	Central Gaming System	10 year performance term
9/20/2016	University of South Carolina	Food Service	15 years
9/20/2016	Department of Mental Health	Operation of Sexually Violent Predator Treatment Program	40 years
12/13/2016	University of South Carolina	Concessions, catering, and non-athletic event merchandise sales for all athletic venues	10 years
8/31/2017	SC Forestry Commission	Operation of Neiderhof Forestry Center	10 Years
9/1/2017	SC Forestry Commission	Operation of Taylor Nursery	10 Years
12/12/2017	Winthrop University	Food Service	10 Years
12/12/2017	SFAA Division of Procurement Svcs	Electronic Procurement System	10 year performance term
12/11/2018	Medical University of South Carolina	Enterprise Resource Planning System	11 year performance term
5/14/2019	University of South Carolina	Trademark and Licensing including apparel	10 years
6/18/2019	Department of Transportation	Enterprise Asset Management System	17 years
12/17/2020	University of South Carolina	Rental Management, premium catering, and operation of dining facility at Williams Brice Stadium	10 years
5/18/2021	Trident Technical College	Enterprise Resource Planning System	11 year performance term
10/12/2021	Medical University of South Carolina	Student Information System	11 years
5/31/2022	Clemson University	Enterprise Resource Planning System	11 year performance term
1/31/2023	Department of Mental Health	Psychiatric Residential Treatment Facility for juveniles	7 years after substantial completion of construction
3/28/2023	Clemson University	Licensing Agent contract	10 years
3/28/2023	Clemson University	Licensing and Campus Apparel Retail contract	10 years
3/28/2023	Department of Social Services	Economic Services System Application Modernization (ESSAM) System	12 years
10/17/2023	Department of Administration	SCEIS Modernization	10 year performance term
3/26/2024	University of South Carolina	Health Sciences Campus Operations and Maintenance	10 years
6/18/2024	University of South Carolina	River District Development	Greater than 7 years with final duration to be approved with submittal of proposed contract to SFAA
8/27/2024	Department of Trasportation	Specific Service (Logo) Signing Program	12 years
10/15/2024	Department of Corrections	Bio Waste Gasification	20 years after substantial completion of construction
10/15/2024	USC Aiken	Food Service	10 years
10/15/2024	USC Upstate	Food Service	10 years
12/10/2024	USC	Rutledge Bldg Development	50 years
12/10/2024	USC	Henderson St. Houses Dev.	40 years
12/10/2024	USC	Carolina Gardens Dev.	50 years
4/1/2025	Department of Motor Vehicles	Business Application System	14 years after implementation
6/10/2025	Clemson University	MUSC-Physicians	30 years
2/10/2026	PRT Sanctuary Point Development	Sanctuary Point Development, operation & Maintenance	50 years
2/10/2026	USC	Food and beverage sales in athletic venues	15 years
2/10/2026	USC	Athletic multimedia/sponsorship rights	15 years
3/31/2026	South Carolina Education Lottery	Central Gaming System	15 years
6/16/2026	Coastal Carolina University	Food Service	10 years
6/16/2026	USC	Bookstore Operation and Management	15 years

Food Service Contracts Approved for Term greater than 7 Years		
Board or SFAA Approval Date	**Agency**	**Maximum Contract Term**
12/13/2001	USC Columbia	15 Years
9/28/2004	Clemson	15 Years
12/14/2004	College of Charleston	10 Years
12/13/2005	The Citadel	10 Years
1/31/2008	Winthrop	10 Years
1/31/2008	USC Aiken	10 Years
1/31/2008	Francis Marion	10 Years
1/31/2008	USC Upstate	10 Years
8/13/2009	Coastal Carolina	10 Years
1/29/2013	Lander	10 Years
9/20/2016	USC Columbia	15 Years
12/12/2018	Winthrop	10 Years
10/15/2024	USC Aiken	10 years
10/15/2024	USC Upstate	10 years
6/16/2026	Coastal Carolina University	10 years

Division of
FINANCE AND
OPERATIONS

July 28, 2026

John St. C. White
Materials Management Officer and State Engineer
Division of Procurement Services
SC State Fiscal Accountability Authority
1333 Main Street, Suite 700
Columbia, SC 29201

Dear Mr. White:

Clemson University respectfully requests approval to solicit the dining services contract with a potential duration of fifteen (15) years. The contract would consist of an initial ten (10) year term with the option to renew for one (1) additional five (5) year term. This structure provides the long-term stability necessary to promote continuous service improvements, support sustained customer service excellence, and encourage ongoing investments in staffing, technology, innovation, and operational performance throughout the life of the contract. The last time this contract was competitively solicited for 7 years, Clemson received only one responsive bid from the incumbent contractor. Following discussions with multiple prospective dining service providers, Clemson consistently received feedback that the previous seven-year contract term was insufficient for a new contractor to recover the startup and capital investments necessary to compete effectively. While Clemson is not requesting significant capital investment as part of this procurement, a new contractor will incur substantial startup costs associated with mobilization, staffing, technology, training, equipment, and operational implementation. A longer contract term allows contractors to recover those investments over a reasonable period, making the opportunity more attractive to a broader range of providers, including mid-sized and emerging firms. It also enables contractors to improve year-over-year operational and financial performance, resulting in stronger competition, more innovative solutions, and greater long-term value for Clemson University.

Campus dining services represent one of the University's most visible and impactful auxiliary operations, serving students, faculty, staff, and visitors every day. Successfully managing a comprehensive dining program requires significant planning, implementation, and ongoing operational oversight. The selected contractor must recruit and retain qualified management and frontline staff, establish comprehensive training programs, implement and maintain technology systems, coordinate complex supply chain operations, and continually adapt dining services to meet changing customer expectations. Because dining services operate in a dynamic environment, a longer contract term provides the stability necessary

CLEMSON UNIVERSITY
DIVISION OF FINANCE AND OPERATIONS
G-06 Sikes Hall Clemson, SC 29634
P 864-656-2421 | finops@clemson.edu | *www.clemson.edu/finops*

for continuous operational improvement, sustained investments in personnel and technology, and consistent delivery of high-quality customer service.

A longer contract horizon promotes strategic planning, operational innovation, and continuous program improvement. Rather than focusing on short-term operational objectives, contractors are better positioned to develop long-term solutions, introduce new dining concepts, invest in technology, enhance sustainability initiatives, and respond to evolving student expectations.

The requested contract duration is also consistent with procurement practices at peer public institutions. Publicly available information demonstrates that numerous public colleges and universities have approved dining services agreements with maximum contract terms of fifteen (15) years or longer. Examples include the University of South Carolina, the University of Virginia, the University of Kentucky, the University of South Florida, Temple University, the University at Albany (State University of New York), Western Kentucky University, and Austin Peay State University, among others. These institutions have similarly recognized that longer contract terms encourage vendor participation, support operational continuity, promote long-term service quality and innovation, and reduce the costs and disruptions associated with more frequent procurements.

For these reasons, Clemson University respectfully requests approval to solicit this procurement with a potential contract duration of fifteen (15) years, structured as an initial ten (10) year term with one (1) optional five (5) year renewal. This approach is expected to increase competition, promote long-term operational excellence, strengthen customer service, and provide the best overall value to Clemson University.

Respectfully submitted,



Richard Petillo
Clemson University
Senior Vice President for Finance and Operations
Chief Financial Officer

CLEMSON UNIVERSITY
DIVISION OF FINANCE AND OPERATIONS
G-06 Sikes Hall Clemson, SC 29634
P 864-656-2421 | finops@clemson.edu | *www.clemson.edu/finops*

Peer Benchmark and Recommendation

University	Contract Term	Vendor	Public Source
USC	15 Years	Aramark	Board/University
UVA	20 Years	Aramark	Board/University
Kentucky	15 Years	Aramark	University
USF	15 Years	Compass	University
Temple	15 Years	Aramark	University

Publicly available information from peer institutions demonstrates that dining services agreements with maximum contract terms of fifteen (15) years or longer are common among public colleges and universities. Clemson's benchmarking identified numerous institutions utilizing contract terms ranging from fifteen (15) to twenty (20) years. These institutions have determined that longer contract terms support operational continuity, encourage vendor investment in service quality and innovation, promote robust competition, and reduce the administrative costs associated with frequent procurements and contractor transitions. Clemson's proposed contract structure—an initial ten-year term followed by one optional five-year renewal period—provides these operational benefits while preserving a performance evaluation and renewal decision after the initial term.

SECTION 11-35-2030. Multiterm contracts.

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

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

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

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

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

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

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

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

Date of Approval	Agency	Item	Maximum Potential Duration
4/28/2015	University of South Carolina	Sports Marketing & Media Rights	10 years
3/8/2016	SC Educational Lottery	Central Gaming System	10 year performance term
9/20/2016	University of South Carolina	Food Service	15 years
9/20/2016	Department of Mental Health	Operation of Sexually Violent Predator Treatment Program	40 years
12/13/2016	University of South Carolina	Concessions, catering, and non-athletic event merchandise sales for all athletic venues	10 years
8/31/2017	SC Forestry Commission	Operation of Neiderhof Forestry Center	10 Years
9/1/2017	SC Forestry Commission	Operation of Taylor Nursery	10 Years
12/12/2017	Winthrop University	Food Service	10 Years
12/12/2017	SFAA Division of Procurement Svcs	Electronic Procurement System	10 year performance term
12/11/2018	Medical University of South Carolina	Enterprise Resource Planning System	11 year performance term
5/14/2019	University of South Carolina	Trademark and Licensing including apparel	10 years
6/18/2019	Department of Transportation	Enterprise Asset Management System	17 years
12/17/2020	University of South Carolina	Rental Management, premium catering, and operation of dining facility at Williams Brice Stadium	10 years
5/18/2021	Trident Technical College	Enterprise Resource Planning System	11 year performance term
10/12/2021	Medical University of South Carolina	Student Information System	11 years
5/31/2022	Clemson University	Enterprise Resource Planning System	11 year performance term
1/31/2023	Department of Mental Health	Psychiatric Residential Treatment Facility for juveniles	7 years after substantial completion of construction
3/28/2023	Clemson University	Licensing Agent contract	10 years
3/28/2023	Clemson University	Licensing and Campus Apparel Retail contract	10 years
3/28/2023	Department of Social Services	Economic Services System Application Modernization (ESSAM) System	12 years
10/17/2023	Department of Administration	SCEIS Modernization	10 year performance term
3/26/2024	University of South Carolina	Health Sciences Campus Operations and Maintenance	10 years
6/18/2024	University of South Carolina	River District Development	Greater than 7 years with final duration to be approved with submittal of proposed contract to SFAA
8/27/2024	Department of Trasportation	Specific Service (Logo) Signing Program	12 years
10/15/2024	Department of Corrections	Bio Waste Gasification	20 years after substantial completion of construction
10/15/2024	USC Aiken	Food Service	10 years
10/15/2024	USC Upstate	Food Service	10 years
12/10/2024	USC	Rutledge Bldg Development	50 years
12/10/2024	USC	Henderson St. Houses Dev.	40 years
12/10/2024	USC	Carolina Gardens Dev.	50 years
4/1/2025	Department of Motor Vehicles	Business Application System	14 years after implementation
6/10/2025	Clemson University	MUSC-Physicians	30 years
2/10/2026	PRT Sanctuary Point Development	Sanctuary Point Development, operation & Maintenance	50 years
2/10/2026	USC	Food and beverage sales in athletic venues	15 years
2/10/2026	USC	Athletic multimedia/sponsorship rights	15 years
3/31/2026	South Carolina Education Lottery	Central Gaming System	15 years
6/16/2026	Coastal Carolina University	Food Service	10 years
6/16/2026	USC	Bookstore Operation and Management	15 years

Food Service Contracts Approved for Term greater than 7 Years		
Board or SFAA Approval Date	**Agency**	**Maximum Contract Term**
12/13/2001	USC Columbia	15 Years
9/28/2004	Clemson	15 Years
12/14/2004	College of Charleston	10 Years
12/13/2005	The Citadel	10 Years
1/31/2008	Winthrop	10 Years
1/31/2008	USC Aiken	10 Years
1/31/2008	Francis Marion	10 Years
1/31/2008	USC Upstate	10 Years
8/13/2009	Coastal Carolina	10 Years
1/29/2013	Lander	10 Years
9/20/2016	USC Columbia	15 Years
12/12/2018	Winthrop	10 Years
10/15/2024	USC Aiken	10 years
10/15/2024	USC Upstate	10 years
6/16/2026	Coastal Carolina University	10 years

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: University of South Carolina-Columbia – Williams-Brice Stadium Renovation

The Authority is asked to approve the following permanent improvement project establishment request and budget revision as requested by the Department of Administration, Facilities Management and Property Services as noted herein. All items were reviewed favorably by the Joint Bond Review Committee (JBRC).

Project: University of South Carolina - Columbia
H27.6163: Williams-Brice Stadium Renovation

Request: Request to Revise Scope and Decrease Phase II Full Construction Budget to remove portions of the project associated with the multi-use needs of the university.

Included in CPIP: Yes – 2025 CPIP Priority 4 of 15 in FY26 (estimated at $350,000,000)
Phase I Approval: February 2025 (estimated at $200,000,000) (SFAA)
Change Project Name, Change Source of Funds, Revise Scope, & Phase II Approval: August 2025 (estimated at $350,000,000) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Revenue Bonds, (Athletic Facilities)		350,000,000	350,000,000	(78,000,000)	272,000,000
Other, Athletic Institutional	4,000,000	(4,000,000)			
All Sources	4,000,000	346,000,000	350,000,000	(78,000,000)	272,000,000

Summary of Work: The project was established to comprehensively renovate multiple levels, primarily at the west grandstand and relatively minimally at the north end zone of the stadium. The scope was subsequently revised to also expand portions of the east grandstand, replace two ramps with new construction at the southeast and southwest corners of the stadium, and expand the renovations at the north end zone. This scope revision request removes the work associated with the north end zone and spaces in the southwest corner which are funded separately by Higher Education Revenue Bonds and will serve the multi-use needs of the university. All renovated areas will replace and increase existing restrooms, concession stands, and food service support spaces. The west side stands, at the 100 and 200 levels, will be gutted and new suites and club spaces will be created. The West Main Concourse will be renovated to provide new restrooms and concessions in a manner that will reduce congestion. Renovations at the West Ground level will improve the player locker room suite and add a field level club in addition to other improvements. Renovations at the East Side grandstand,

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: University of South Carolina-Columbia – Williams-Brice Stadium Renovation

ground level, will create a visiting team locker room suite, a loading/delivery area, a commissary for food preparation, concessions, and new restrooms to address a deficiency of code-required plumbing fixtures. The existing ramps at the southeast and southwest corners will be replaced with new construction to add escalators. Multiple new elevator/stair/escalator towers will offer fans more options to access the elevated concourses from the west, north, and east field levels. New mechanical, electrical, and plumbing systems will be provided at all interior conditioned spaces. Audio/Visual equipment will be provided throughout renovated areas. The project includes site work, utility enhancements, and landscaping improvements. The roof system has been evaluated by the Department of Administration and has been determined to comply with JBRC policy and will come with the minimum 20-year material and workmanship warranty.

Rationale: Williams-Brice Stadium has only 18 suites- the lowest count of any stadium in the Southeastern Conference. The project would increase the quantity to 43 suites and renovate and create 9 clubs. Increased suites and clubs will address demand from fans and generate new revenue to service athletic revenue bonds. All renovated areas will replace under-sized restrooms and increase fixture counts to comply with current building codes thereby restoring compliance with the International Building Code. The project will also address deferred maintenance in the West and East zones of the stadium.

Facility Characteristics: Williams-Brice Stadium is 500,000 square feet and was constructed in 1934 (92 years old). The west stands were completely rebuilt in 1972 (54 years old). The Floyd Building was constructed in 1994 (32 years old). The age of the numerous stadium areas varies greatly with some areas being original to construction. Approximately 395,000 square feet of interior space will be constructed or renovated. There will be exterior unconditioned spaces constructed as well to include seating and unconditioned concourse space. The stadium will hold approximately 73,000 fans plus hundreds of others comprised of players, coaches, and athletics staff.

Financial Impact: This project will be funded from Athletic Facilities Revenue Bonds to be issued in late spring of 2027. While the existing Athletic Facilities Revenue Bonds resolution authorizes the issuance of "up to" $350,000,000 and therefore does not require amendment to accommodate this financing adjustment, the University's Board of Trustees will meet on August 21, 2026, to approve a corresponding *reduction* in the bond authorization to an amount not to exceed $272,000,000 (down from $350 million), commensurate with the current revised project authorization being approved by the Authority. This action is being taken by the University in the interest of transparency and to maintain consistency with the revised

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: University of South Carolina-Columbia – Williams-Brice Stadium Renovation

project authorization, ensuring that the University's total authorized borrowing remains unchanged between the Higher Education Revenue and Athletic Facilities Revenue Bond authorizations.

The University further notes that this financing adjustment does not create any additional borrowing authority for the project. Any future expansion of the project or any new capital project requiring additional borrowing authority would remain subject to the established review and approval processes of the Joint Bond Review Committee and the State Fiscal Accountability Authority.

The renovation project does not qualify for the JBRC policy requirement to meet LEED Silver or Two Green Globes certification standards. The renovation value does not exceed 50% of the replacement value of the stadium and the limited energy consumption due to the infrequent use of the conditioned spaces throughout the year make it an impractical building typology to achieve sufficient sustainability points in LEED Silver or Two Green Globes and seek certification. There will be conservation measures implemented to include LED lighting, low water use plumbing fixtures at the numerous restroom facilities, efficient HVAC equipment at the conditioned spaces, and environmentally sustainable finish materials in the suites and clubs. The project is expected to result in an increase of $55,000 (years 1 thru 3) in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $40 per student per semester, and has not changed between academic years 2022-2023 and 2026-2027. The Athletic Department receives $52.00 per semester as an Athletic Student Fee which is used to service the outstanding debt. This fee has been in effect since 2007-2008 and currently generates on average $2.1 million annually for use in payment of the existing Athletic Facilities Revenue Bond debt service. Current funds obligated for existing debt service are not included as funds available to service this new debt issuance. The debt service for these new bonds will be paid from new revenue generation from capital gifts, new ticket revenues from premium and suite seats and overall increase to ticket prices, and contractual obligations bonuses from concessions and food.

Full Project Estimate: $272,000,000 funded from Athletic Facilities Bond funds. Contract execution is expected in December 2025 and completion of construction in August 2028.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: University of South Carolina-Columbia – Williams-Brice Stadium Renovation

AUTHORITY ACTION REQUESTED:

As requested by the University of South Carolina - Columbia, through the Department of Administration, Facilities Management and Property Services, approve the Permanent Improvement Project to Revise Scope and Decrease Phase II Full Construction Budget to remove portions of the project associated with the multi-use needs of the university. All items have been reviewed favorably by the Joint Bond Review Committee.

ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

Meeting Scheduled for: 8/19/2026 **Regular Agenda**

1. Submitted by:
(a) Agency: Department of Administration
(b) Authorized Official Signature: Ashlie Lancaster, FMPS Director

2. Subject: University of South Carolina-Columbia – Williams-Brice Stadium Renovation

3. Summary Background Information:

Project: University of South Carolina - Columbia
H27.6163: Williams-Brice Stadium Renovation

Request: Request to Revise Scope and Decrease Phase II Full Construction Budget to remove portions of the project associated with the multi-use needs of the university.

Included in CPIP: Yes – 2025 CPIP Priority 4 of 15 in FY26 (estimated at $350,000,000)
Phase I Approval: February 2025 (estimated at $200,000,000) (SFAA)
Change Project Name, Change Source of Funds, Revise Scope, & Phase II Approval: August 2025 (estimated at $350,000,000) (SFAA)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Revenue Bonds, (Athletic Facilities)		350,000,000	350,000,000	(78,000,000)	272,000,000
Other, Athletic Institutional	4,000,000	(4,000,000)			
All Sources	4,000,000	346,000,000	350,000,000	(78,000,000)	272,000,000

Summary of Work: The project was established to comprehensively renovate multiple levels, primarily at the west grandstand and relatively minimally at the north end zone of the stadium. The scope was subsequently revised to also expand portions of the east grandstand, replace two ramps with new construction at the southeast and southwest corners of the stadium, and expand the renovations at the north end zone. This scope revision request removes the work associated with the north end zone and spaces in the southwest corner which are funded separately by Higher Education Revenue Bonds and will serve the multi-use needs of the university. All renovated areas will replace and increase existing restrooms, concession stands, and food service support spaces. The west side stands, at the 100 and 200 levels, will be gutted and new suites and club spaces will be created. The West Main Concourse will be renovated to provide new restrooms and concessions in a manner that will reduce congestion. Renovations at the West Ground level will improve the player locker room suite and add a field level club in addition to other improvements. Renovations at the East Side grandstand, ground level, will create a visiting team locker room suite, a loading/delivery area, a commissary for food preparation, concessions, and

new restrooms to address a deficiency of code-required plumbing fixtures. The existing ramps at the southeast and southwest corners will be replaced with new construction to add escalators. Multiple new elevator/stair/escalator towers will offer fans more options to access the elevated concourses from the west, north, and east field levels. New mechanical, electrical, and plumbing systems will be provided at all interior conditioned spaces. Audio/Visual equipment will be provided throughout renovated areas. The project includes site work, utility enhancements, and landscaping improvements. The roof system has been evaluated by the Department of Administration and has been determined to comply with JBRC policy and will come with the minimum 20-year material and workmanship warranty.

Rationale: Williams-Brice Stadium has only 18 suites- the lowest count of any stadium in the Southeastern Conference. The project would increase the quantity to 43 suites and renovate and create 9 clubs. Increased suites and clubs will address demand from fans and generate new revenue to service athletic revenue bonds. All renovated areas will replace under-sized restrooms and increase fixture counts to comply with current building codes thereby restoring compliance with the International Building Code. The project will also address deferred maintenance in the West and East zones of the stadium.

Facility Characteristics: Williams-Brice Stadium is 500,000 square feet and was constructed in 1934 (92 years old). The west stands were completely rebuilt in 1972 (54 years old). The Floyd Building was constructed in 1994 (32 years old). The age of the numerous stadium areas varies greatly with some areas being original to construction. Approximately 395,000 square feet of interior space will be constructed or renovated. There will be exterior unconditioned spaces constructed as well to include seating and unconditioned concourse space. The stadium will hold approximately 73,000 fans plus hundreds of others comprised of players, coaches, and athletics staff.

Financial Impact: This project will be funded from Athletic Facilities Revenue Bonds to be issued in late spring of 2027. The renovation project does not qualify for the JBRC policy requirement to meet LEED Silver or Two Green Globes certification standards. The renovation value does not exceed 50% of the replacement value of the stadium and the limited energy consumption due to the infrequent use of the conditioned spaces throughout the year make it an impractical building typology to achieve sufficient sustainability points in LEED Silver or Two Green Globes and seek certification. There will be conservation measures implemented to include LED lighting, low water use plumbing fixtures at the numerous restroom facilities, efficient HVAC equipment at the conditioned spaces, and environmentally sustainable finish materials in the suites and clubs. The project is expected to result in an increase of $55,000 (years 1 thru 3) in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $40 per student per semester, and has not changed between academic years 2022-2023 and 2026-2027. The Athletic Department receives $52.00 per semester as an Athletic Student Fee which is used to service the outstanding debt. This fee has been in effect since 2007-2008 and currently generates on average $2.1 million annually for use in payment of the existing Athletic Facilities Revenue Bond debt service. Current funds obligated for existing debt service are not included as funds available to service this new debt issuance. The debt service for these new bonds will be paid from new revenue generation from capital gifts, new ticket revenues from premium

and suite seats and overall increase to ticket prices, and contractual obligations bonuses from concessions and food.

Full Project Estimate: $272,000,000 funded from Athletic Facilities Bond funds. Contract execution is expected in December 2025 and completion of construction in August 2028.

---

4. What is the Authority asked to do? Consider approval of the Permanent Improvement Project Revise Scope & Decrease Budget request.

---

5. What is recommendation of the submitting agency involved? This item is complete and ready for SFAA review.

---

6. Private Participant Disclosure – Check only 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:

1. Permanent Improvement Williams-Brice Stadium Renovation

---

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop. Supporting documentation should include all related agreements or approval requests (e.g., leases, contracts, permanent improvements, indebtedness, agenda items), either current or anticipated; or provide affirmation from the submitting agency that there are no related transactions.

STATE FISCAL ACCOUNTABILITY AUTHORITY REGULAR SESSION

MEETING OF August 19, 2026 ITEM NUMBER 16

AGENCY: University of South Carolina and Department of Administration, Facilities Management and Property Services

SUBJECT: Williams-Brice Stadium Multi-Use Facilities Renovations and Not Exceeding $84,000,000 University of South Carolina Higher Education Revenue Bonds

The Authority is asked to approve the Phase II Full Construction Budget needed to complete renovations to the multi-use facility associated with the stadium. This Phase will be funded from higher education revenue bond funds.

The Authority is further asked to adopt a resolution making provision for the issuance and sale of not exceeding $84,000,000 University of South Carolina Higher Education Revenue Bonds.

The proceeds of the bonds will be used to defray the costs of acquisition, construction, reconstruction, improvement, and equipping of the multiuse facilities that blend various aspects of conference, inn, dining hall, student recreation and entertainment, and other nondegree educational facilities.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding $84,000,000 Education Revenue Bonds and approve the Phase II Full Construction Budget to complete renovations of the multi-use facilities associated with Williams-Brice Stadium.

ATTACHMENTS:

1. Agenda Item Worksheet for the Permanent Improvement Project
2. Bond Information Report
3. Bond Counsel Opinion Letter
4. SFAA Resolution
5. Bond Resolution and Exhibits
6. Bond Transmittal Form
7. July 13, 2026, Transmittal Letter from Gary T. Pope, Jr.

POPE FLYNN
GROUP

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

August 17, 2026

Mr. Delbert H. Singleton, Jr.
Assistant Executive Director and Authority Secretary
South Carolina State Fiscal Accountability Authority
1333 Main Street, Suite 700
Columbia, South Carolina 29201

Re: Not Exceeding $84,000,000 University of South Carolina Higher Education Revenue Bonds

Dear Delbert:

On behalf of the University of South Carolina, in connection with the authorization of the above referenced bonds (the "Bonds"), and in anticipation of the South Carolina State Fiscal Accountability Authority (the "Authority") meeting scheduled for August 19, 2026, we respectfully enclose the following for consideration by the Authority:

1. A copy of a bond resolution dated June 21, 1996, of the Board of Trustees of the University of South Carolina (the "University") providing for the issuance of revenue bonds of the University of South Carolina;

2. A copy of a series resolution adopted by the Board of Trustees of the University on April 24, 2026, authorizing the issuance of the Bonds;

3. A copy of a resolution adopted by the Board of Trustees of the University on April 24, 2026, regarding the designation of certain facilities in connection with the Bonds;

4. A proposed form of opinion of Bond Counsel;

5. 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;

6. A Bond Information Report;

7. A proposed form of resolution of the Authority (an electronic copy is being provided contemporaneously with this letter); and

8. An executed Bond Transmittal Form.

The University will provide the Office of State Treasurer with copies of the Bond Counsel Selection Form and the New Debt Information Form (NDIF) – Initial Form contemporaneously with this submission. Please let us know should you require anything further or if you have any questions regarding the enclosed.

Best regards,

Gary T. Pope, Jr.

Enclosures

cc: Mandy Kibler, University of South Carolina
Kevin O'Brien, Office of State Treasurer

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
1333 Main Street, Suite 700 (29201)
P.O. Box 12444
Columbia, SC 29211

DATE: 8/17/2026

Submitted for SFAA Meeting on:
8/19/2026

FROM: Pope Flynn, LLC

1411 Gervais Street, Suite 300
Columbia, SC 29201
(803) 354-4900

RE: N/E $84,000,000 University of South Carolina Higher Education Revenue Bonds
Project Name: Williams-Brice Stadium Multi-Use Facilities Renovation

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 J or K)

A. ☐ Petition
B. ☒ Resolution or Ordinance
C. ☐ Inducement Resolution or comparable preliminary approval
D. ☒ State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus 3 copies for certification and return to bond counsel
E. ☒ Draft bond counsel opinion letter
F. ☒ Signed SFAA Reliance letter
G. ☐ DPH Certificate of Need (C.O.N.)
H. ☒ Bond Information Report OR Bond Summary
I. ☐ 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.

Must check (J) or (K) below:

J. ☒ No Private Participant will be known at the time the Authority considers this agenda item.
K. ☐ This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant.

Bond Counsel: Gary T. Pope, Jr.
Pope Flynn, LLC

By: _____
(Signature of Responsible Attorney)

University of South Carolina Bond Information Report

Prepared in Connection with the Proposed Authorization of
Not Exceeding $84,000,000 of
University of South Carolina Higher Education Revenue Bonds

Williams-Brice Multi-Use Facilities

Amount and Type of Bond. The University of South Carolina (the "University") is seeking review by the Joint Bond Review Committee and approval by the South Carolina State Fiscal Accountability Authority for the issuance of not exceeding $84,000,000 of University of South Carolina Higher Education Revenue Bonds (the "Bonds"), the proceeds of which may be applied for the purposes of: (1) paying the costs of, and reimbursing the University for capital expenditures previously made in connection with, the Project (as defined below), including capitalized interest on the Bonds, if any; (2) paying the costs of issuance of the Bonds, including the premium on any Municipal Bond Insurance Policy or debt service reserve fund funding substitute; and (3) paying the principal of and interest on any bond anticipation notes whether at maturity or early redemption. The Project is currently planned to consist of two components: (i) a multi-use student facility integrated into the North Side of Williams-Brice Stadium (the "Student Club Facility"), and a multi-use premium entertainment facility adjacent to Williams-Brice Stadium (the "University Club Facility," and together with the Student Club Facility, the "Project"). The Student Club Facility is intended to support a wide range of University community needs, including student meeting and collaboration spaces, areas for student organization activities, study and lounge environments, and flexible rooms for programming, events, and academic-related (but nondegree) engagement. Intended uses of the Student Club Facility also encompass student services, leadership development initiatives, and other activities that enhance campus life and student involvement. The University Club Facility is designed to provide flexible space for University advancement, development, and fundraising activities, including donor engagement events, alumni gatherings, corporate partnerships, and special event programming. The University Club Facility may also support revenue-generating opportunities through hosting events, conferences, and entertainment functions that align with the University's mission and strategic goals. The Project shall primarily serve the greater University community and not the varsity athletic teams of the University; provided, however, that nothing shall prohibit incidental use of the Project by the athletic department by agreement.

Revenues Pledged to Pay the Bonds. The University's Higher Education Revenue Bonds are payable from, and are secured by a pledge of, the Net Revenues and the Additional Funds ("Pledged Revenues"). Under the bond resolution governing the issuance of the University's Higher Education Revenue Bonds the University must maintain Net Revenues at least equal to composite debt service on all outstanding Higher Education Revenue Bonds. The Net Revenues for the fiscal year ended June 30, 2025, totaled $41,472,000 (fiscal year ended June 30, 2026 results are not yet available). The estimated debt service requirements on all existing, authorized, and proposed Higher Education Revenue Bonds are attached as Exhibit A. Exhibit B reflects estimated maximum annual debt service of $45,694,908 in the fiscal year ending June 30, 2031, and anticipated pro forma Net Revenues coverage ranging from 1.27 to 3.74 times pro forma debt service.

New Revenue Generation. The Project is expected to generate additional Net Revenues ranging from $3.75 million to $6 million over the life of the Project based on current forecasts and expectations.

Other Funds Available to Pay Bonds. While the University intends to pay debt service on the Bonds from the Net Revenues, both the Net Revenues and the Additional Funds comprise the Pledged Revenues that secure the Bonds. The Additional Funds comprise essentially all legally available funds of the University and totaled $1,060,637,000 for the fiscal year ended June 30, 2025 (fiscal year ended June 30, 2026 results are not yet available). Pursuant to Section 59-147-110 of the Code of Laws of South Carolina 1976, as amended, the Bonds are not payable from State appropriations or student tuition and fees pledged to the payment of State Institutions Bonds. Also, certain specific revenues pledged to the payment of specific obligations, such as Athletic Facilities Revenue Bonds, are likewise unavailable for payment on the Bonds and are not a component of Pledged Revenues.

No Special Student Fees. No Credit of the State. *No Mortgage*. The University does not currently impose a Special Student Fee, and no such fee is currently contemplated, in connection with the payment of the Bonds. Neither the full faith and credit of the University nor the State of South Carolina has been pledged to the payment of Higher Education Revenue Bonds. Further, no mortgage or lien has been or will be given on any real property of the University.

Prepared July 13, 2026 in connection with:

August 18, 2026 Joint Bond Review Committee Meeting
August 19, 2026 State Fiscal Accountability Authority Meeting

Exhibit A

University of South Carolina
Higher Education Revenue Bonds - Debt Service

Fiscal Year	Existing Debt Service	Debt Service On Authorized but Unissued Bonds*	Debt Service on Proposed Bond Issue			Total Composite Debt Service
			Principal	Interest	Capitalized Interest	
6/30/2027	$ 30,921,850	$ -	$ 1,115,000	$ 2,976,670	$ (2,976,670)	$ 32,036,850
6/30/2028	28,407,600	-	1,455,000	3,697,123	(3,697,123)	29,862,600
6/30/2029	28,408,600	12,123,316	1,520,000	3,632,222	-	45,684,138
6/30/2030	28,408,350	12,124,477	1,585,000	3,564,422	-	45,682,248
6/30/2031	28,420,100	12,126,086	1,655,000	3,493,722	-	45,694,908
6/30/2032	27,251,350	12,126,983	1,730,000	3,419,900	-	44,528,233
6/30/2033	27,247,800	12,123,120	1,805,000	3,342,732	-	44,518,653
6/30/2034	26,424,050	12,124,406	1,890,000	3,262,220	-	43,700,676
6/30/2035	24,858,325	12,123,538	1,970,000	3,177,915	-	42,129,778
6/30/2036	19,953,375	12,122,174	2,060,000	3,090,043	-	37,225,592
6/30/2037	19,958,875	12,121,995	2,150,000	2,998,155	-	37,229,026
6/30/2038	19,961,425	12,122,257	2,250,000	2,902,254	-	37,235,936
6/30/2039	15,705,425	12,125,180	2,350,000	2,801,891	-	32,982,497
6/30/2040	14,829,925	12,125,155	2,450,000	2,697,069	-	32,102,149
6/30/2041	13,160,925	12,123,698	2,560,000	2,587,785	-	30,432,409
6/30/2042	13,162,613	12,122,487	2,675,000	2,473,595	-	30,433,695
6/30/2043	13,159,488	12,122,251	2,795,000	2,354,276	-	30,431,015
6/30/2044	11,535,800	12,124,149	2,920,000	2,229,603	-	28,809,552
6/30/2045	11,536,300	12,122,000	3,050,000	2,099,356	-	28,807,655
6/30/2046	11,536,300	12,121,926	3,185,000	1,963,309	-	28,806,535
6/30/2047	11,539,800	12,123,977	3,330,000	1,821,241	-	28,815,018
6/30/2048	11,540,400	12,124,085	3,475,000	1,672,704	-	28,812,189
6/30/2049	11,535,800	12,122,841	3,630,000	1,517,700	-	28,806,342
6/30/2050	11,540,600	12,124,555	3,795,000	1,355,783	-	28,815,938
6/30/2051	11,538,800	12,123,306	3,965,000	1,186,505	-	28,813,611
6/30/2052	-	12,123,403	4,140,000	1,009,644	-	17,273,047
6/30/2053	-	12,122,844	4,325,000	824,978	-	17,272,822
6/30/2054	-	12,126,275	4,520,000	632,059	-	17,278,334
6/30/2055	-	12,122,529	4,720,000	430,443	-	17,272,971
6/30/2056	-	12,125,904	4,930,000	219,905	-	17,275,809
Totals	$ 472,543,876	$ 339,464,920	$ 84,000,000	$ 69,435,222	$ (6,673,793)	$ 958,770,226

* After giving effect to capitalized interest for the Sumter Street Housing Project in Fiscal Years 2027 and 2028

Exhibit B

University of South Carolina
Higher Education Revenue Bonds - Coverage

Fiscal Year	Composite Debt Service	FY25 Net Revenues	Coverage Ratio Based on FY25 Net Revenues	Pro Forma Net Revenues	Total Pro Forma Net Revenues*	Pro Forma Coverage Ratio*
6/30/2027	$ 32,036,850	$ 41,472,000	1.29	$ 8,971,500	$ 50,443,500	1.57
6/30/2028	29,862,600	41,472,000	1.39	12,721,500	54,193,500	1.81
6/30/2029	45,684,138	41,472,000	0.91	16,548,500	58,020,500	1.27
6/30/2030	45,682,248	41,472,000	0.91	17,579,905	59,051,905	1.29
6/30/2031	45,694,908	41,472,000	0.91	17,763,948	59,235,948	1.30
6/30/2032	44,528,233	41,472,000	0.93	17,950,669	59,422,669	1.33
6/30/2033	44,518,653	41,472,000	0.93	18,140,105	59,612,105	1.34
6/30/2034	43,700,676	41,472,000	0.95	18,332,297	59,804,297	1.37
6/30/2035	42,129,778	41,472,000	0.98	18,527,284	59,999,284	1.42
6/30/2036	37,225,592	41,472,000	1.11	18,725,108	60,197,108	1.62
6/30/2037	37,229,026	41,472,000	1.11	18,925,809	60,397,809	1.62
6/30/2038	37,235,936	41,472,000	1.11	19,129,431	60,601,431	1.63
6/30/2039	32,982,497	41,472,000	1.26	19,336,014	60,808,014	1.84
6/30/2040	32,102,149	41,472,000	1.29	19,545,604	61,017,604	1.90
6/30/2041	30,432,409	41,472,000	1.36	19,758,243	61,230,243	2.01
6/30/2042	30,433,695	41,472,000	1.36	19,973,977	61,445,977	2.02
6/30/2043	30,431,015	41,472,000	1.36	20,192,850	61,664,850	2.03
6/30/2044	28,809,552	41,472,000	1.44	20,414,909	61,886,909	2.15
6/30/2045	28,807,655	41,472,000	1.44	20,640,201	62,112,201	2.16
6/30/2046	28,806,535	41,472,000	1.44	20,868,772	62,340,772	2.16
6/30/2047	28,815,018	41,472,000	1.44	21,100,670	62,572,670	2.17
6/30/2048	28,812,189	41,472,000	1.44	21,335,946	62,807,946	2.18
6/30/2049	28,806,342	41,472,000	1.44	21,574,647	63,046,647	2.19
6/30/2050	28,815,938	41,472,000	1.44	21,816,825	63,288,825	2.20
6/30/2051	28,813,611	41,472,000	1.44	22,062,531	63,534,531	2.21
6/30/2052	17,273,047	41,472,000	2.40	22,311,817	63,783,817	3.69
6/30/2053	17,272,822	41,472,000	2.40	22,564,735	64,036,735	3.71
6/30/2054	17,278,334	41,472,000	2.40	22,821,339	64,293,339	3.72
6/30/2055	17,272,971	41,472,000	2.40	23,081,683	64,553,683	3.74
6/30/2056	17,275,809	41,472,000	2.40	23,345,823	64,817,823	3.75

* Includes FY25 Net Revenues held constant plus pro-forma Net Revenues based off of the Sumter Street Housing Project Approved in December 2025 and Pro Forma Revenues from the Project.

STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET

Meeting Scheduled for: 8/19/2026 **Regular Agenda**

1. Submitted by:
(a) Agency: Department of Administration
(b) Authorized Official Signature: Ashlie Lancaster, FMPS Director

2. Subject: University of South Carolina-Columbia – Williams-Brice Stadium Multi-Use Facilities Renovation

3. Summary Background Information:

Project: University of South Carolina – Columbia
H27.6168: Williams-Brice Stadium Multi-Use Facilities Renovation

Request: Establish Phase II Full Construction Budget to complete renovations to the stadium associated with the multi-use needs of the university.

Included in CPIP: Yes – 2025 CPIP Priority 4 of 15 in FY26 (estimated at $350,000,000)

Source of Funds	Original Budget	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Revenue Bonds, (Higher Education)				78,000,000	78,000,000
All Sources				78,000,000	78,000,000

Summary of Work: The project will demolish the Floyd Building in the north end zone and replace with a new superstructure to create the Student Club. This facility will provide conditioned interior space and a roof terrace. The project will also demolish the ramp at the southwest corner of the stadium and replace with a superstructure to create the University Club. Audio/visual equipment will be installed throughout the constructed areas. Site work, utility upgrades, and landscaping improvements are also included to support the new construction. There will be exterior unconditioned space constructed as an occupied roof terrace above the conditioned interior space at the north end zone. The roof has been evaluated by the Department of Administration and has been determined to comply with JBRC policy and will come with the minimum 20-year material and workmanship warranty.

Rationale: Following due diligence, including a full stadium review and master planning completed during Phase I, the multi-use facilities project within the Williams-Brice complex has been conceived to construct two new facilities: the Student Club and the University Club. These facilities will support student engagement, campus programming, and events through the year while maximizing the broader use of the university's investment in the Williams-Brice complex. The project will expand the university's ability to host student activities, conferences, recreation, entertainment, and other non-degree educational programs. It will also provide flexible spaces to support university advancement, development, and fundraising activities, including donor engagement events, alumni gatherings, corporate partnerships, and special event programming.

Facility Characteristics: Williams-Brice Stadium is 500,000 square feet and was constructed in 1934 (92 years old). The west stands were completely rebuilt in 1972 (54 years old). The Floyd Building was constructed in 1994 (32 years old). The age of the numerous stadium areas varies greatly with some areas being original to construction. Approximately 50,000 square feet of interior space will be constructed in the north end zone and the southwest areas and will be entirely new construction. The Student Club Multi-Use Facility in the north end zone will replace the Floyd Building. The University Club Multi-Use Facility in the southwest area of the stadium replaces a ramp structure. The portions of the stadium to be constructed as multi-use facilities are entirely new construction. The Student Club Multi Use Facility is needed to support student engagement, campus programming, and events throughout the year as inadequate large meeting and event spaces exist on the main campus for student organizations. The University Club Multi Use Facility will provide large flexible spaces to support university advancement, development, and fundraising activities, including donor engagement events, alumni gatherings, corporate partnerships, and special event programming. The Student Club Multi-Use Facility can be utilized by an estimated 1,800 students, not including occupancy on the roof terrace. The University Club Multi-Use Facility can be utilized by an estimated 200 occupants.

Financial Impact: The project will be funded from Higher Education Revenue Bonds (to be issued). The renovation project does not qualify for the JBRC policy requirement to meet LEED Silver or Two Green Globes certification standards. The renovation value does not exceed 50% of the replacement value of the stadium and the limited energy consumption due to the infrequent use of the conditioned spaces throughout the year make it an impractical building typology to achieve sufficient sustainability points in LEED or Green Globes and seek certification. There will be conservation measures implemented to include LED lighting, low water use plumbing fixtures at the numerous restroom facilities, efficient HVAC equipment at the conditioned spaces, and environmentally sustainable finish materials in the suites and clubs. The project is expected to result in an increase of $47,000 (years 1 thru 3) in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $40 per student per semester, and has not changed between academic years 2022-2023 and 2026-2027. The debt service for these new bonds will be paid from user fees and general auxiliary revenues from Student Affairs and the university for the use of the multi-purpose facilities.

Full Project Estimate: $78,000,000 funded from Athletic Facilities Bond funds. Contract execution is expected in December 2025 and completion of construction in August 2027.

4. **What is the Authority asked to do?** Consider approval of the Permanent Improvement Project Establish Phase II request.

5. **What is recommendation of the submitting agency involved?** The item is complete and ready for SFAA review.

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

1. Permanent Improvement Williams-Brice Stadium Multi-Use Facilities Renovation
2. Bond Information Report

9. **Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop. Supporting documentation should include all related agreements or approval requests (e.g., leases, contracts, permanent improvements, indebtedness, agenda items), either current or anticipated; or provide affirmation from the submitting agency that there are no related transactions.**

OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 08/19/26 Final Version Date:

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H27 Issuer: University of South Carolina Series: 2026

Borrower (if not Issuer):

Bond Caption: Higher Education Revenue Bonds - Series 2026

Bond Resolution Amount: $84,000,000 Est. Production/Par Amt: $79,010,000

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

Final Production/Par Amt: $0.00

Submitted By:

ENTITY	University of South Carolina
BY:	Mandy Kibler
ITS:	Associate VP for Finance
Tel:	803-777-2123
Email:	kiblerm@email.sc.edu

Transaction Type/Method of Sale:

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

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

MSRB (EMMA) Continuing Disclosure Responsible Party: University of South Carolina - Mandy Kibler

2. FINANCING (NEW PORTION)

Project #: Project Name: Williams-Brice multi-use facilities

Project Address/Location:	Columbia, SC 29201	Amount:	$78,000,000.00
Project Type:	New Construction multi-use facility	County:	Richland
Projected Avg Interest Rate:	4.598% (TIC)	Final Maturity:	05/01/56

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. ($)	Est NPV Svgs. (% of Ref. Bds)
		$			$	
		$			$	
		$			$	
	Total	**$**	*********	*********	**$**	

4. FINANCING WORKING GROUP

Financial Advisor:	PFM Financial Advisors, LLC	Disclosure Counsel:	Howell Linkous & Nettles, LLC
Bond Counsel:	Pope Flynn, LLC	Issuer's Counsel:	Terry Parham
Underwriter:	Barclays	Trustee:	State Treasurer's Office
Paying Agent:	U.S. Bank Trust Company NA	Other:	

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 defray the cost to acquire, construct, reconstruct, improve, and equip certain multiuse facilities that blend various aspects of conference, dining hall, student recreation and entertainment, and other nondegree educational facilities in one or more spaces or structures, which may be integrated with or proximate to the University's Williams-Brice Stadium. 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 items 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.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	04/24/26	Adopted
JBRC Approval:	08/18/26	Proposed
SFAA Approval:	08/19/26	Proposed

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	04/24/26	Adopted
JBRC Approval:	08/18/26	Proposed
SFAA Approval:	08/19/26	Proposed

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

	Yes	No
a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)		X
b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?		X

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

Sq. Footage -

Cost Estimate - $0

	Bond Proceeds	FYE	Spend Down Schedule Notes
Est. Expenditures - Through 6 Months	$ 84,000,000.00	FY2026-2027	Costs of issuance, constuction draws, capitalized interest
Est. Expenditures - Through 12 Months			Construction draws (estimate)
Est. Expenditures - Through 18 Months			Construction draws (estimate)
Est. Expenditures - Through 24 Months	$		Note: draw schedule is under development.
Est. Expenditures - Through 36 Months	$		
Est. Expenditures - Through 48 Months	$		
- Estimated Expenditures: Thru FY:	**$ 84,000,000.00**		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)		Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	$ 79,010,000		$ 78,000,000	Project Fund
(b) Premium/Accr. Int.	$ 4,985,322		$ 5,299,010	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	$			Debt Service Reserve Fund
(3) Debt Service Fund Trans.	$			Redemption Price/Escrow Deposit
(4) Debt Service Reserve			$ 696,313	Cost of Issuance (Incl. UW Disc.)
Fund Contribution	$		$	Accrued Interest
(5) Other (Specify)			$	Additional Proceeds
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	**$ 83,995,322**		**$ 83,995,322**	**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	($ △)
Financial Advisor	PFM Financial Advisors			$ 79,010	$	$ 79,010
Bond Counsel	Pope Flynn, LLC			$ 79,010	$	$ 79,010
Disclosure Counsel	Howell Linkous & Nettles			$ 39,505	$	$ 39,505
Issuer's Counsel	Terry Parham				$	$
Underwriter's Counsel	Parker Poe			$ 19,753	$	$ 19,753
Transaction Counsel					$	$
Legal Expenses				$ 5,000	$	$ 5,000
Financial Advisor Expenses				$ 5,000	$	$ 5,000
Rating Agency - S&P					$	$
Rating Agency - Moody's				$ 80,000	$	$ 80,000
Rating Agency - Fitch				$ 75,000	$	$ 75,000
Underwriter's Compensation	JP Morgan			$ 276,535	$	$ 276,535
Registrar / Paying Agent	U.S. Bank Trust Company			$ 15,000	$	$ 15,000
Dissemination Agent	DAC			$ 2,500	$	$ 2,500
Accountant				$	$	$
Verification Agent				$	$	$
Printing	Image Master			$ 10,000	$	$ 10,000
Publishing					$	$
Advertising					$	$
Contingency				$ 10,000	$	$ 10,000
Issuer's Fee	SC JEDA / SC SHFDA			$	$	$
				$ 696,313	**$**	**$ 696,313**

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

Financial Advisor: % of Transaction	*0.10%*	*#DIV/0!*
Bond Counsel: % of Transaction	*0.10%*	*#DIV/0!*
Total Legal Costs: % of Transaction	*0.19%*	*#DIV/0!*
Rating Agencies: % of Transaction	*0.20%*	*#DIV/0!*

UW Comp: % of Transaction	0.35%	#DIV/0!
Other COI: % of Transaction	0.05%	#DIV/0!
Total COI: % of Transaction	**0.88%**	**#DIV/0!**

CERTIFIED COPY OF BOND RESOLUTION

I, the undersigned, Secretary of the Board of Trustees (the "Board of Trustees") of the University of South Carolina (the "University"), hereby certify that:

1. I am the duly elected and acting Secretary of the Board of Trustees of the University and the recorder and custodian of its official records.

2. Attached hereto is a true, full and correct copy of the Amendatory and Restated Bond Resolution adopted by the Board of Trustees of the University on June 21, 1996, at which a quorum was present and acting throughout, and which has not been amended, altered, repealed or rescinded, and is now in full force and effect.

In witness whereof, I have affixed my signature as of the 14th day of September, 2017.

UNIVERSITY OF SOUTH CAROLINA

Secretary to the Board of Trustees

AN AMENDATORY AND RESTATED RESOLUTION

PROVIDING FOR THE ISSUANCE AND SALE OF
UNIVERSITY OF SOUTH CAROLINA REVENUE BONDS
AND OTHER MATTERS RELATING THERETO.

Approved in final form by Executive Committee of
Board of Trustees on June 13, 1996

Approved in final form by Board of Trustees on
June 21, 1996

BOND RESOLUTION OF 1996

TABLE OF CONTENTS

ARTICLE I FINDINGS OF FACT 1

Section 1.01. Recitals and Statement of Purpose 1

ARTICLE II DEFINITIONS, CONSTRUCTION AND INTERPRETATIONS 6

Section 2.01. Definition of Bond Resolution 6
Section 2.02. Other Defined Terms 6
Section 2.03. Interpretations 13

ARTICLE III FISCAL YEAR 15

Section 3.01. Establishment and Modification of Fiscal Year 15

ARTICLE IV THE BONDS 16

Section 4.01. Authorization for Bonds in Series 16
Section 4.02. Conditions to Issuance of Bonds of a Series 18
Section 4.03. Reliance Upon Certificates Establishing Revenues 22
Section 4.04. Execution of Bonds 22
Section 4.05. Authentication 23
Section 4.06. Medium of Payment 23
Section 4.07. Mutilated, Lost, Stolen or Destroyed Bonds 23
Section 4.08. Transfer and Registry: Persons Treated as Owners 23
Section 4.09. Date and Payment Provisions 24
Section 4.10. Interchangeability of Bonds 24
Section 4.11. Regulations With Respect to Exchanges and Transfers 24
Section 4.12. Cancellation and Destruction of Mutilated, Paid or Surrendered Bonds 25
Section 4.13. Notice of Redemption 25
Section 4.14. Cancellation of Bonds Which Have Been Redeemed 25
Section 4.15. Selection of Bonds To Be Redeemed 26
Section 4.16. Purchase of Bonds 26
Section 4.17. Security for Payment of Bonds: Priority of Pledge 26
Section 4.18. Bonds in Book-Entry Form 26
Section 4.19. Bonds Issued as Taxable Obligations 27
Section 4.20. Restriction on Optional Redemption 27
Section 4.21. Waiver of Certain Provisions 27
Section 4.22. Payments Due on Saturdays, Sundays and Holidays 27
Section 4.23. Bonds in Coupon Form 28
Section 4.24. Additional Funds 28
Section 4.25. Auxiliary Facilities 28

ARTICLE V RATES AND CHARGES 29

Section 5.01. Rate Covenants 29

ARTICLE VI JUNIOR LIEN BONDS; OTHER OBLIGATIONS; CLOSING OF RESOLUTIONS 31

Section 6.01. Right to Issue Junior Lien Bonds; Accession Thereof to Status of Bonds 31
Section 6.02. Closing of Resolutions 32
Section 6.03. Parity Bonds 32

ARTICLE VII ESTABLISHMENT OF FUNDS 33

Section 7.01. Requirement for Special Funds 33
Section 7.02. The Revenue Fund 33
Section 7.03. The Operation and Maintenance Fund 33
Section 7.04. Debt Service Funds 34
Section 7.05. The Debt Service Reserve Funds 35
Section 7.06. The Maintenance Reserve Fund 36
Section 7.07. Construction Funds 37

ARTICLE VIII DISPOSITION OF REVENUES 38

Section 8.01. Deposits to the Revenue Fund; Dispositions Therefrom 38
Section 8.02. Requirement of Annual Budget 38
Section 8.03. Deposits to and Withdrawals from the Operation and Maintenance Fund 38
Section 8.04. Payments for Bonds 39
Section 8.05. Deposits for the Debt Service Reserve Funds; Valuation 40
Section 8.06. Reimbursement of Interest on Amounts Advanced for Debt Service Reserve Funds 41
Section 8.07. Payments for Junior Lien Bonds 41
Section 8.08. Deposits to Maintenance Reserve Fund 41
Section 8.09. Withdrawals of Funds for other Lawful Purposes 41
Section 8.10. Disposition of Excess Moneys in Funds 41

ARTICLE IX AGREEMENT TO FURNISH INFORMATION WITH RESPECT TO THE FACILITIES 43

Section 9.01. Keeping Records 43
Section 9.02. Audit Required 43

ARTICLE X INSURANCE 44

Section 10.01. Insurance 44

ARTICLE XI ADDITIONAL COVENANTS: DISPOSITION OF FACILITIES 45

Section 11.01. Additional Covenants to Secure Bonds 45
Section 11.02. Sale and Disposition of Facilities 46

ARTICLE XII MODIFICATION OF RESOLUTION 48

Section 12.01. Modification without Bondholder Approval 48
Section 12.02. Modification with Bondholder Approval 48
Section 12.03. Procedure for Procuring Bondholder Approval 49

ARTICLE XIII EVENTS OF DEFAULT 50

Section 13.01. Events of Default 50

ARTICLE XIV REMEDIES 52

Section 14.01. Acceleration; Annulment of Acceleration 52
Section 14.02. Additional Remedies and Enforcement of Remedies 52
Section 14.03. Application of Revenues and Other Moneys After Default 53
Section 14.04. Remedies Not Exclusive 55
Section 14.05. Remedies Vested in Trustee 55
Section 14.06. Majority of Bondholders Control Proceedings 55
Section 14.07. Individual Bondholder Action Restricted 55
Section 14.08. Termination of Proceedings 56
Section 14.09. Waiver and Nonwaiver of Event of Default 56
Section 14.10. Notice of Defaults 57

ARTICLE XV TRUSTEE AND ITS FUNCTIONS: OTHER FIDUCIARIES 58

Section 15.01. Appointment and Vesting of Powers in Trustee; Limitation of Rights of Bondholders to Appoint Trustee 58
Section 15.02. Functions of Trustee 58
Section 15.03. Duty of Trustee with Respect to Deficits in Debt Service Funds 58
Section 15.04. Acceptance by Trustee Required 58
Section 15.05. Liability as to Recitals in Bond Resolution and Bonds 59
Section 15.06. Trustee May Rely on Notices, etc. 59
Section 15.07. Trustee Permitted to Resign 59
Section 15.08. Removal of Trustee 59
Section 15.09. Appointment of Successor Trustee Upon Resignation or Removal of Trustee 59
Section 15.10. When Bondholder May Seek Successor Trustee 60
Section 15.11. Acceptance by Successor Trustee 60
Section 15.12. Effect of Trustee Merging With Another Bank 60
Section 15.13. Disposition of Paid Bonds 61

Section 15.14. Appointment of Registrar 61
Section 15.15. Appointment of Paying Agent 62

ARTICLE XVI DEFEASANCE 63

Section 16.01. Defeasance Generally 63
Section 16.02. Money to be Held in Trust - When Returnable to University 63
Section 16.03. Deposits With Trustee Subject to Conditions of Article XVI Hereof 64

ARTICLE XVII MISCELLANEOUS 65

Section 17.01. Purpose of Covenants in Bond Resolution 65
Section 17.02. Municipal Bond Insurance Company Deemed Holder 65
Section 17.03. Breach of Municipal Bond Insurance Company 65
Section 17.04. Parties Interested Herein 65
Section 17.05. Effect of Invalidity of Provisions of Bond Resolution 66
Section 17.06. Table of Contents and Section Headings Not Controlling 66
Section 17.07. Repealing Clause 66

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF 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 "Amendatory and Restated Resolution") amending and restating the resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF PARKING FACILITIES REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA AND OTHER MATTERS RELATING THERETO" approved by the Board of Trustees of the University of South Carolina (the "Board of Trustees"), the governing body of the University of South Carolina (the "University"), on October 19, 1995 (the "1995 Bond Resolution") the Board of Trustees finds, as fact, that each of the statements hereinafter set forth in this Article I is in all respects true and correct.

(A) The University 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 authorizations of Act No. 1767 of the General Assembly of the State (the "General Assembly") for the year 1801.

(B) Article X, Section 13 of the Constitution of the State of South Carolina, 1895, as amended, (the "Constitution") provides that the General Assembly may authorize any institutions 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 or license.

(C) The University is under the management and control of the Board of Trustees, comprised in the manner prescribed by Section 59-117-10, Code of Laws of South Carolina, 1976, as amended (the "State Code").

(D) The general powers of the Board of Trustees are set forth in Section 59-117-40 of the State Code as amended.

(E) Section 12.04 of the 1995 Bond Resolution provides as follows:

(1) Notwithstanding anything in the 1995 Bond Resolution to the contrary, the Board of Trustees shall have the right in their sole discretion and without Bondholder consent from time to time to add other activities and facilities and sources of revenue of the University (which at the date of adoption of the 1995 Bond Resolution were not included in the definition of Facilities under the 1995 Bond Resolution) (collectively, the "Additional Facilities") to the definition of Facilities in the 1995 Bond Resolution, if the issuance of bonds secured by a pledge of the Net Revenues of such expanded Facilities is permitted by State law (including Article 3 of Chapter 117 of Title 59 of the State Code, or any other provisions enacted subsequent to the date of the 1995 Bond Resolution), provided that:

(a) The Board of Trustees shall adopt an appropriate amendatory resolution to the 1995 Bond Resolution; and

(b) 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; and

(c) The University and the Trustee shall have received a report from the Accountants and Chief Financial Officer certifying that the tests set forth in Section 4.02(7) of the 1995 Bond Resolution are met if the Additional Facilities become Facilities and any bonds secured by a pledge of any part of the Additional Facilities become Bonds.

Upon the inclusion of any Additional Facilities as Facilities pursuant to Section 12.04 of the 1995 Bond Resolution, then from that date all references to Facilities in the 1995 Bond Resolution (including, without limitation, all references to Facilities in the definitions of other terms) shall, except as provided in Section 12.04(B)(2) of the 1995 Bond Resolution, include such Additional Facilities; and the Board of Trustees may change terms in the 1995 Resolution to eliminate the reference to "Parking."

(2) When any Additional Facilities are added to the definition of Facilities pursuant to Section 12.04 of the 1995 Bond Resolution and at the time of such addition there are bonds outstanding secured by a pledge of any of the revenues of the Additional Facilities:

(a) In the event that the proceedings authorizing such previously issued Additional Facilities bonds contain provisions similar to Section 12.04 of the 1995 Bond Resolution, then all such bonds shall be from that date considered Bonds for all purposes of the 1995 Bond Resolution, and all Bonds shall be considered parity bonds with respect to the proceedings authorizing the previously issued Additional Facilities bonds; and

(b) In the event that the proceedings authorizing such previously issued Additional Facilities bonds do not contain provisions similar to Section 12.04 of the 1995 Bond Resolution, then, until such time as the previously issued Additional Facilities bonds are discharged or such time as the Board of Trustees causes the Additional Facilities bonds to accede to parity status pursuant to Article VI of the 1995 Bond Resolution and simultaneously causes the Bonds to accede to parity status with respect to the Additional Facilities revenues, such previously issued Additional Facilities bonds shall be considered Junior Lien Bonds for all purposes of the 1995 Bond Resolution except for Sections 4.02(7) and 5.01(B) of the 1995 Bond Resolution, and all Bonds shall be considered junior lien bonds with respect to the pledged Additional Facilities revenues. With respect to Sections 4.02(7) and 5.01(B) of the 1995 Bond Resolution, the Additional Facilities bonds shall at all times be considered Bonds and the Additional Facilities shall be considered Facilities.

(3) In the event that State law is amended to permit the further securing of

Bonds by the pledge of, and payment of debt service on the Bonds from, the gross receipts of a source of revenue consisting of a student fee imposed on the basis of matriculation or credit-hour enrollment or similar basis other than for specific services provided or auxiliary facilities used, then the Board of Trustees may in their sole discretion and without the consent of any Bondholder, add such source of revenue to the security and pledge for the Bonds and may covenant to maintain such source of revenue at a particular level; but such source of revenue shall not be considered to be a Facility or a part of Gross Revenues or Net Revenues except for purposes of Sections 8.03, 8.04 and 8.05 of the 1995 Bond Resolution (but only, in the case of the said three (3) Sections to the extent that Net Revenues are otherwise insufficient to meet the requirements of those Sections) and Article XIV of the 1995 Bond Resolution. Also in the event that the definition of Facilities is expanded by the inclusion of a source of revenue consisting of a student fee imposed on the basis of matriculation or credit-hour enrollment or similar basis, then notwithstanding that Bonds may be Outstanding, the University may, at any time, and without limitation, issue "Parity Bonds" secured by a pledge of such student fee, which pledge shall be on a parity in all respects with the pledge of such fee securing the Bonds; provided, however, that the following must be satisfied at the time of issuance of such Parity Bonds:

> Gross receipts generated from the fee during the Fiscal Year immediately preceding the Fiscal Year in which such issue of Parity Bonds is to be issued, adjusted in the same manner as the calculation of Net Revenues is adjusted in Section 4.02(7) of the 1995 Bond Resolution, shall be not less than one hundred twenty percent (120%) of the maximum Combined Annual Principal and Interest Requirement for all Bonds and Parity Bonds Outstanding immediately prior to the proposed issuance and on such issue of Parity Bonds; such calculation shall be based upon a report of the Accountants showing actual gross receipts generated from the fee for the Fiscal Year preceding the Fiscal Year in which such issue of Parity Bonds is to be issued."

(F) On April 3, 1996, the General Assembly of the State of South Carolina (the "State") enacted bill H. 4313 which amended Title 59 of the State Code by adding Chapter 147, entitled the Higher Education Revenue Bond Act (the "Higher Education Revenue Bond Act"), as anticipated by Section 12.04 of the 1995 Bond Resolution.

(G) Prior to the enactment of the Higher Education Revenue Bond Act, the University has heretofore issued:

(1) the following (collectively, the "Student and Faculty Housing Revenue Bonds"):

(a) The now outstanding $1,160,000 principal amount Student and Faculty Housing Revenue Bonds of the University, Series 1971, (the "Series 1971 Bonds");

(b) The now outstanding $1,955,000 principal amount Student and Faculty Housing Revenue Bonds of the University, Series 1973 (the "Series 1973 Bonds");

(c) The now outstanding $250,000 principal amount Student and Faculty Housing

Revenue Bonds of the University, Series 1974 (the "Series 1974 Bonds"); and

(d) The now outstanding $2,796,239 principal amount Student and Faculty Housing Revenue Bonds of the University, Series 1988 (the "Series 1988 Bonds")

which are payable solely from revenues derived from all of the student and faculty housing facilities of the University (the "Student and Faculty Housing Facilities Revenues"). The Student and Faculty Housing Revenue Bonds were authorized by the Student and Faculty Housing Facilities Resolutions (as hereinafter defined).

(2) The now outstanding $9,735,000 principal amount Parking Facilities Revenue Bonds of the University, Series 1995 (the "Parking Facilities Revenue Bonds") which are payable solely from revenues derived from the University's parking facilities (the "Parking Facilities Revenues") were authorized by the 1995 Bond Resolution and a Series Resolution adopted by the Board of Trustees on October 19, 1995 (the "Parking Facilities Series Resolution").

(H) The Board of Trustees has been advised that it would be in the best interest of the University to redeem, refund (in advance of maturity or otherwise) or legally defease the Student and Faculty Housing Revenue Bonds as provided in the resolutions adopted by the Board of Trustees pursuant to which the Student and Faculty Housing Revenue Bonds were issued, which shall be authorized by a Series Resolution to be adopted by the Board of Trustees supplemental hereto.

(I) The Board of Trustees is authorized by the Higher Education Revenue Bond Act to issue revenue bonds of the University for the purpose of financing or refinancing in whole or in part the cost of 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, bookstore and other University operated stores, 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 bonds issued under the Higher Education Revenue Bond Act must be payable solely from the Net Revenues (hereinafter defined) derived by the University from the operation, sale, lease, or other disposition of the Facilities and any other Additional Funds (as such terms are hereinafter defined) of the University.

(J) Pursuant to Section 12.04 of the 1995 Bond Resolution and the Higher Education Revenue Bond Act, the Board of Trustees of the University has determined to amend the 1995 Bond Resolution as follows:

(1) to change the definition of facilities as follows: "Facilities" shall mean (i) student and faculty housing including, but not limited to, dormitories, apartment buildings and dwelling houses, and (ii) parking facilities. Where the context requires, term "Facilities" shall include services provided in or by the Facilities.

(2) to delete all references to "Parking" in the 1995 Bond Resolution, as provided in Section 12.04(A)(1) of the 1995 Bond Resolution.

(3) to provide for a parity status of Bonds issued pursuant to this Resolution with the Parking Facilities Revenue Bonds issued pursuant to 1995 Bond Resolution with respect to the revenues of the Facilities; provided, however, the Parking Facilities Revenue Bonds shall also have a statutory lien on the parking facilities (as defined in the 1995 Bond Resolution).

(4) to pledge Additional Funds which consist of other available funds as described in the Higher Education Revenue Bond Act.

(5) to authorize the issuance of Parity Bonds secured by a pledge of the Additional Funds provided certain requirements are met as set forth in Section 12.04(C) of the 1995 Bond Resolution.

(6) to make such other changes as necessary in order to encompass all the provisions intended by Section 12.04 of the 1995 Bond Resolution and to correct certain ambiguities and inconsistent provisions contained in the 1995 Bond Resolution pursuant to Section 12.04 of the 1995 Bond Resolution.

THE 1995 BOND RESOLUTION IS HEREBY AMENDED AS SET FORTH IN PARAGRAPH (J) ABOVE AND OTHERWISE AMENDED AND RESTATED AS FOLLOWS:

[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 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.

"Additional Funds" shall mean any funds of the University designated and approved by the University in accordance with Section 59-147-110 of the Enabling Act as set forth in Section 4.24 of this Resolution.

"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 the annual period in question and to a Series of Bonds, 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 during such period; provided, however, with respect to 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 Paying Agent 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(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 covenant contained in Section 5.01(B) 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. Where the context requires, references in this definition to "Series Bonds" shall be deemed to include a series of Parity Bonds.

"Authorized Investments" shall mean those investments authorized for investment of State funds under Section 11-9-660 of the Code of Laws of South Carolina 1976, as now or hereafter amended from time to time.

"Board of Trustees" shall mean the Board of Trustees of the 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 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 of the Facilities and

any other sources provided pursuant to Section 4.17 hereof, issued in accordance with the provisions of the Enabling Act, this Bond Resolution and a Series Resolution which includes the Parking Facilities Revenue Bonds.

"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.

"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 derived by the University from the operation and maintenance of the Facilities. Such individual presently holds the title of Vice President for Business and Finance.

"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 (including where the context requires, all Parity 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 7.04 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 7.05 hereof.

"Defeasance Act" shall mean Chapter 14, Title 11 of the State Code.

"Enabling Act" or "Higher Education Revenue Bond Act" shall mean Title 59, Chapter 147 of the Code of Laws of South Carolina 1976, as amended, except with respect to the Parking Facilities Revenue Bonds, the term "Enabling Act" shall mean Act No. 1396 of the Acts of the General Assembly of the State of South Carolina, 1968, and Title 11, Chapter 21 of the State Code.

"Facilities" shall mean (i) student and faculty housing including, but not limited to, dormitories, apartment buildings and dwelling houses, and (ii) parking facilities. Where the context requires, the term "Facilities" shall include services provided in or by the Facilities.

"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 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.

"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 liens on the revenues of the Facilities which are junior and subordinate in all respects to the pledges and liens made to secure Bonds.

"Maintenance Reserve Fund" shall mean the fund established pursuant to Section 7.06 hereof.

"Moody's" shall mean Moody's Investors Service, Inc, and its successors.

"Net Revenues" shall mean for the period in question, the net increase/decrease in fund balances for the Facilities (including any rents or other fees received in connection with Facilities not operated directly by the University) determined in accordance with then generally accepted accounting principles; but whether or not generally accepted accounting principles so require, 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 subsidies pertaining to the Facilities to the extent that such grants or subsidies are not permitted by law to be pledged to secure the Bonds;

(iv) amounts paid as debt service on Bonds;

(v) 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 nonrecurring expenses resulting from the issuance or refinancing of Bonds;

(vi) depreciation allowances; and

(vii) transfers to the plant funds.

"Operation and Maintenance Fund" shall mean the fund, account or accounts to be established pursuant to Section 7.03 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 canceled 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 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

"Parity Bonds" shall mean indebtedness payable from all or a portion of the Additional Funds not issued pursuant to the Enabling Act but which satisfies the requirement of Section 6.03 hereof.

"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.

"Parking Facilities Revenue Bonds" shall mean the $9,735,000 University of South Carolina Parking Facilities Revenue Bonds, Series 1995, dated November 1, 1995.

"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 15.15 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 principal amount of Outstanding Bonds coming due in the period in question plus (ii) any mandatory sinking fund payment required on Outstanding Bonds during the period in question. With respect to any Capital Appreciation Bonds, "Principal Installment" shall mean the Accreted Value which is due and payable during the period in question.

"Record Date" shall mean, with respect to any Bond, the date as of which the Holder of such Bond is determined for purposes of giving any notice, making any interest payment or obtaining any consent.

"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 15.14 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.

"Resolution of 1971" shall mean the general resolution of the Board of Trustees adopted on March 29, 1971 providing for the issuance from time to time of Student and Faculty Housing

Revenue Bonds of the University.

"Revenue Fund" shall mean the fund established pursuant to Section 7.02 hereof.

"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.

"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 1971 Bonds" shall mean the $2,600,000 original principal amount Student and Faculty Housing Revenue Bonds of the University, Series 1971, of which $1,160,000 in principal amount is outstanding on the date hereof.

"Series 1973 Bonds" shall mean the $3,000,000 original principal amount Student and Faculty Housing Revenue Bonds of the University, Series 1973, of which $1,955,000 in principal amount is outstanding on the date hereof.

"Series 1974 Bonds" shall mean the $2,750,000 original principal amount Student and Faculty Housing Revenue Bonds of the University, Series 1974, of which $250,000 in principal amount is outstanding on the date hereof.

"Series 1988 Bonds" shall mean the $3,000,000 original principal amount Student and Faculty Housing Revenue Bonds of the University, Series 1988, of which $2,796,239 in principal amount is outstanding on the date hereof.

"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.

"State Treasurer" shall mean the Office of the State Treasurer of South Carolina.

"Student and Faculty Housing Facilities Revenue Bonds" shall mean collectively the Series 1971 Bonds, Series 1973 Bonds, Series 1974 Bonds and Series 1988 Bonds.

"Student and Faculty Housing Facilities Resolutions" shall mean, collectively, the Resolution of 1971, the Supplemental Resolution of 1971, the Supplemental Resolution of 1973, the Supplemental Resolution of 1974 and the Supplemental Resolution of 1988.

"Subsidies" shall mean, for the period in question, all sums paid or payable to or for the account of the University pursuant to any grant, loan agreement, contract or other obligation obligating either the United States of any department or agency thereof, or the State of South Carolina to make payments over a period of years for the purpose of discharging in whole or in part the debt service of any Series of Bonds or any portion of any such Series; any calculation of the quantum of Subsidies shall be made in light of the applicable provisions of the grant, loan agreement, contract or obligation in force on the occasion when such calculation is required to be made by any of the provisions hereof.

"Trustee" shall initially mean the State Treasurer or other bank, trust company or financial institution which is authorized by the University and approved by the State Treasurer to be the custodian of the funds established under this Bond Resolution.

"University" shall mean the University of South Carolina, a body politic and corporate of the State.

"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]

University of South Carolina
Revenue Bond Resolution

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 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, if necessary, the Defeasance Act, and from time to time and for the purposes of:

(1) Financing or refinancing in whole or in part for the cost of acquisition, construction, renovation and improvement of land, buildings, and other improvements to real property and equipment for new and existing Facilities;

(2) Funding any Debt Service Reserve Fund (including the purchase of a surety bond, insurance policy, line of credit, 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;

(3) Purchasing or providing for credit enhancement for any Series of Bonds;

(4) Capitalizing interest on the Bonds for such period of time as the Board of Trustees may determine; and

(5) 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 4.08(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 "University of South Carolina Revenue Bonds," 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 permitted 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 source or sources of revenues designated for the repayment of the Bonds in accordance with Section 59-147-110 of the Enabling Act;

(3) The time for the payment of interest on the Bonds in such Series and 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, provided that the Series Resolution shall specify a date beyond which the final maturity of such Series shall not extend;

(4) The specific purposes for which such Series of Bonds is 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;

(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) Whether such Series of Bonds will be subject to a Reserve Requirement and the manner in which such Reserve Requirement 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;

(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, (and that a capitalized interest account be established within any such Debt Service Fund if interest for any period is to be paid from proceeds) of such Series of Bonds; and

(18) Any other provisions or funds deemed advisable by the Board of Trustees for the Bonds and any other applicable redemption requirement for the Bonds of such Series and the method of satisfying the same and not in conflict with or in substitution for the provisions of the Bond Resolution.

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 (5) 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 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, 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, insurance policy, line of credit or letter of credit in lieu thereof in accordance with Section 7.05(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 7.05(D) hereof shall be provided as 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 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:

(a) Net Revenues and Additional Funds plus Additional Parity Bond Sources (as defined in paragraph (c)(iv) below and to the extent permitted by paragraph (d) below) 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 and Parity Bonds Outstanding immediately prior to the issuance of such proposed Series of Bonds. For purposes of the maximum Combined Annual Principal and Interest Requirements on all Bonds and Parity Bonds Outstanding immediately prior to the issuance of such proposed Series of Bonds under this Section 4.02(7)(a), the amount of any Subsidies to become payable in any succeeding Fiscal Year shall be deducted from the maximum Combined Annual Principal and Interest Requirement on all Bonds and Parity Bonds Outstanding immediately prior to the issuance of such proposed Series of Bonds. For purposes of this Section 4.02(7)(a), such Net Revenues, Additional Funds and Additional Parity Bond Sources shall 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, 100% of the interest that will accrue on such Series of Bonds during the first twelve 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-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, Additional Funds and Additional Parity Bond Sources; (3) any amount allowed by subparagraph (2) of this Section 4.02(7)(a) 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; and (4) an increase to the Net Revenues by an amount equal to the amount of government grants and subsidies for the operation of the Facilities or debt service of the Bonds that are otherwise excluded from the definition of "Net Revenues" by clause (iii) thereof.

(b) For each of the two (2) Fiscal Years following the later of the date of the delivery of the Bonds of such Series, or the period (if any) for which interest is funded from the proceeds of such Bonds, Net Revenues, Additional Funds and Additional Parity Bond Sources (as permitted below), as shall have been forecasted and computed by the Chief Financial Officer in the manner prescribed in paragraph (c) below, will be not less than one hundred twenty percent (120%) of the maximum Combined Annual Principal and Interest Requirements (as calculated in paragraph (a) above) on all Bonds and Parity Bonds then proposed to be Outstanding in each of such two (2) Fiscal Years;

(c) (i) With respect to Facilities to be constructed, renovated or purchased with the proceeds of the Series of Bonds in question, the forecast of Net Revenues shall be predicated upon 95% of the gross revenues to be produced by the new Facility and 105% of the cost of operation and maintenance of the new Facility, for the first full Fiscal Year after any period of capitalized interest for the Series of Bonds in question, such gross revenues and operation and maintenance costs being as projected by the Chief Financial Officer; and.

(ii) The projection of Net Revenues of the Facilities existing at the time of computation (not including Facilities to be constructed or renovated with the proceeds of the Series of Bonds in question) shall be not greater than the Net Revenues produced by such Facilities during the preceding Fiscal Year, adjusted for the rate, fee or price schedules which will be in effect at the beginning of the succeeding academic year for such existing Facilities.

(iii) With respect to the portion of Additional Funds which are student fees imposed on the basis of matriculation or credit hour enrollment or similar basis other than for specific services provided or auxiliary facilities used ("Pledged Fees"), the forecast shall be not greater than the Pledged Fees produced during the preceding Fiscal Year, adjusted for the fee schedules which will be in effect at the beginning of the succeeding academic year; and

(iv) With respect to sources which lawfully secure or pay any Parity Bonds but which do not secure or pay the Bonds (the "Additional Parity Bond Sources"), the forecast shall be determined in a manner consistent with clauses (i) through (iii) above, whichever is most nearly applicable.

(d) For purposes of this Section 4.02(7), Additional Parity Bond Sources shall not be considered, to the extent that they exceed one hundred twenty percent (120%) of the annual debt service on all Outstanding Parity Bonds in the year of maximum Combined Annual Principal and Interest Requirements on all Bonds and Parity Bonds Outstanding.

(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 tests prescribed by Section 4.02(7) above.

(9) (a) The University shall obtain an opinion of Bond Counsel that such Bonds are valid and binding obligations of the University payable from the Net Revenues and Additional Funds 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 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) an indefeasible fee simple title, or (b) an indefeasible leasehold estate, which shall extend at least five (5) years 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;

(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; and

(11) 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 7.05(D) hereof shall have been paid.

(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 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, the corporate seal of the University shall be impressed or reproduced thereon and the same shall be attested by the Secretary of the Board. 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 of 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 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 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 canceled 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 canceled 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 but not more than sixty (60) days prior to the date fixed for redemption to the Holder of each Bond, at the address shown on the registration books, unless such Bonds are Variable Rate Bonds in which case notice shall be given at least seven (7) days prior to the date fixed for redemption; provided, however, that failure to give such notice by mail, or any defect in the notice mailed to the Holder of any Bond to be redeemed, 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 canceled 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 in such order as it shall determine; 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 Additional Funds. Such pledge securing any of the Bonds shall at all times and in all respects be on parity with all other Bonds; provided, however, the Parking Facilities Revenue Bonds shall also be secured by a statutory lien upon the parking facilities (as defined in the 1995 Bond Resolution), and shall remain superior to pledges hereafter made to secure any other bonds or other obligations payable from such Net Revenues or Additional Funds, except for parity pledges of Additional Funds made to secure Parity Bonds. The Bonds, a Series of Bonds or any portion thereof further shall be payable from, and are hereby declared to be secured by a pledge of the Subsidies to the extent applicable thereto.

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 7.05(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.

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 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 designates and approves as "Additional Funds" all available fund and academic fees of the University which are not (i) otherwise designated or restricted; (ii) funds of the University derived from appropriations received from the General Assembly; (iii) tuition funds pledged to the repayment of State Institution Bonds and (iv) student fees pledged to the payment of the University's 1968 and 1971 Plant Improvement Bonds.

Section 4.25. Additional Auxiliary 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 auxiliary 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, together with any Subsidies budgeted to pay debt service on the Bonds or operation and maintenance of the Facilities, 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, together with any Subsidies budgeted to pay debt service on the Bonds or operation and maintenance of the Facilities which are otherwise excluded from the definition of "Net Revenues" by clause (iii) thereof, which 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 provide for the punctual payment of the principal of and interest on all Bonds and any Junior Lien Bonds that may from time to time 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 Debt Service Reserve Funds, at the level of their respective Reserve Requirements, in the manner prescribed herein or in the applicable Series Resolution;

(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, line of credit, insurance policy or letter of credit as contemplated under Section 7.05(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 charges in accordance with such rates for the Facilities or the use thereof which are reasonably expected to yield annual Net Revenues in the current Fiscal

Year which, together with any Subsidies for operation of the Facilities or debt service of the Bonds which are otherwise excluded from the definition of "Net Revenues" by clause (iii) thereof, 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. For each Fiscal Year, the Board of Trustees shall adopt an Annual Budget including amended rate schedules for such Fiscal Year which shall set forth in reasonable detail the estimated revenues and operating expenses of the Facilities and any Subsidies described above 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 Maintenance Reserve 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. The University further covenants and agrees that, at any time after it secures Bonds by a pledge of any Pledged Fees, it will at all times prescribe and maintain and thereafter collect fees, rates and charges such that Net Revenues, Pledged Fees budgeted for the payment of operation and maintenance costs of the Facilities or debt service on Bonds or Parity Bonds, and the receipts of any Additional Parity Bond Sources intended to pay debt service on Parity Bonds shall equal at least one hundred percent (100%) of the Combined Annual Principal and Interest Requirement for all Bonds Outstanding and all Parity Bonds in each Fiscal Year.

[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 revenues of the Facilities and Additional Funds; provided that the pledge of and any lien on the Net Revenues of the Facilities 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 and liens on such Net Revenues and Additional Funds, the Facilities 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 subparagraphs 7(a) and (b) 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 and lien granted by Section 4.17, the University covenants, agrees and confirms that it will issue no further bonds or other obligations pursuant to the authorization of the Resolution of 1971, the Supplemental Resolution of 1971, the Supplemental Resolution of 1973, the Supplemental Resolution of 1974, the Supplemental Resolution of 1988 or any other resolution previously adopted regarding Facilities.

Section 6.03. Parity Bonds.

Notwithstanding that Bonds may be Outstanding, the University may, at any time, and without limitation, issue Parity Bonds secured by a pledge of the Additional Funds, which pledge shall be on a parity in all respects with the pledge of such Additional Funds securing the Bonds; provided, however, that the following must be satisfied at the time of issuance of such Parity Bonds:

> Gross receipts generated from the Additional Funds during the Fiscal Year immediately preceding the Fiscal Year in which such issue of Parity Bonds is to be issued, adjusted to reflect any increases in the Additional Funds currently adopted and to be in effect prior to or coincident with the issuance of such Parity Bonds and determined pro forma as though such increases had been in continuous effect during such preceding Fiscal Year, shall be not less than one hundred twenty percent (120%) of the maximum Combined Annual Principal and Interest Requirement for all Bonds and Parity Bonds outstanding immediately prior to the proposed issuance and on such issue of Parity Bonds; such calculation shall be based upon a report of the Accountants showing actual gross receipts generated from Additional Funds for the Fiscal Year preceding the Fiscal Year in which such issue of Parity Bonds is to be issued.

[End of Article VI]

ARTICLE VII

ESTABLISHMENT OF FUNDS

Section 7.01. Requirement for Special Funds and Accounts.

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 maintained as to reflect the following funds or accounts relating to the Gross Revenues and such funds or accounts shall be established and maintained, and deposits shall be made therein in the manner herein required. The Trustee may, in its discretion or at the request of the University, establish different accounts within any funds for the purpose of identifying Gross Revenues deposited to a fund or for the accounting with respect to all matters and obligations relating to any portion of the Facilities by source or ultimate use.

Section 7.02. The Revenue Fund.

(A) There shall be established and maintained with the Trustee a fund designated as the Revenue Fund.

(B) All Gross Revenues shall be deposited in accordance with and in the manner prescribed by Article VIII hereof into the Revenue Fund. Money in the Revenue Fund shall be withdrawn and made use of only in the manner and in the order of priority specified in Article VIII hereof.

(C) Money in the Revenue Fund shall be invested and reinvested in accordance with the State Code in Authorized Investments having suitable maturities consonant with the need for application of such moneys. Any earnings on investment of money in the Revenue Fund are Gross Revenues and shall accrue to the benefit of the Revenue Fund.

Section 7.03. The Operation and Maintenance Fund.

(A) There shall be established and maintained by the University an Operation and Maintenance Fund. This fund is intended to provide for the payment of all expenses routinely incurred in connection with the administration and operation of the Facilities, including without limiting the generality of the foregoing, such expenses as may be reasonably necessary to preserve the 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 (provided however that the fees and charges of the Paying Agent, Registrar, Trustee, or other fund custodian may be paid by the State Treasurer directly from the Revenue Fund, and such payments shall nonetheless be deemed to be costs of operating and maintaining the Facilities), the costs of audits required hereunder, and the premiums for all insurance policies and any fidelity bonds required by this Bond Resolution.

(B) Withdrawals from the Operation and Maintenance Fund shall be made by the University in accordance, as nearly as may be practicable, with the Annual Budget then in effect.

(C) Money in the Operation and Maintenance Fund shall be invested and reinvested in accordance with the State Code in Authorized Investments having suitable maturities consonant with the need for application of such moneys. Any earnings on investment of money in the Operation and Maintenance Fund shall accrue to the benefit of the Operation and Maintenance Fund.

Section 7.04. Debt Service Funds.

(A) There shall be established and maintained a Debt Service Fund for each Series of Bonds Outstanding. Each such Debt Service Fund shall bear a number Series designation as may be necessary to distinguish such Debt Service Fund and shall, subject to the other provisions of this Bond Resolution, be maintained so long as the applicable Series of Bonds shall be 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 in accordance with the State Code 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 8.04 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 7.05. 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 Debt Service Reserve Fund is for the equal and ratable benefit only of Bonds of that Series. 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 shall 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 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 7.05(D) hereof in lieu of a deposit of money, shall be not less than its then applicable 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 in accordance with the State Code in Authorized Investments. The earnings from investments in a particular Debt Service Reserve Fund shall be added to the Revenue Fund and become a part of that 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 the 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 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, all in accordance with the terms set forth in the applicable Series Resolution.

(E) In the event a Debt Service Reserve Fund has been funded with a surety bond, insurance policy, line of credit or letter of credit and either such instrument has been drawn upon, moneys available to repay such surety bond, insurance policy, line of credit or letter of credit provider shall first be used to reinstate the surety bond, insurance policy, line of credit or letter of credit to its original amount. Any interest or fees due to the surety bond, insurance policy, line of credit or letter of credit 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 or letter of credit, 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, insurance policy or letter of credit 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 or letter of credit in question (the "Original Funding Instrument") includes amounts available under another surety bond, insurance policy or letter of credit (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 Debt Service Fund.

Section 7.06. The Maintenance Reserve Fund.

(A) There shall be established and maintained by the Trustee a fund designated as the Maintenance Reserve Fund. The Maintenance Reserve Fund is established hereunder in order to provide a reasonable reserve for contingencies and for improvements, expansions and renovations. Money in the Maintenance Reserve Fund may be withdrawn by the University from time to time and used: (1) for the purpose of restoring or replacing depreciated or obsolete items of the Facilities; (2) for improvements, expansions and renovations to the Facilities; (3) to defray the costs of unforeseen contingencies and other expenses related to the use of the Facilities; (4) other lawful purposes deemed appropriate by the Chief Financial Officer; and (5) to prevent a default in the timely payment of principal and/or interest on Bonds or Junior Lien Bonds.

(B) Money in the Maintenance Reserve Fund shall be invested and reinvested at the direction of the University to the extent permitted by law, or, if the State Treasurer is the Trustee, at the direction of the Trustee, in Authorized Investments having suitable maturities consonant with the need for application of such moneys. Any earnings on investment of money in the Maintenance Reserve Fund shall accrue to the benefit of the Maintenance Reserve Fund.

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 at the direction of the University to the extent permitted by law, or, if the State Treasurer is the Trustee, at the direction of the Trustee, in Authorized Investments having suitable maturities consonant with the need for application of such moneys. 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 Revenue Fund; Dispositions Therefrom.

The Gross Revenues are declared to be a part of the Revenue Fund and shall from time to time be promptly deposited with the Trustee in the Revenue Fund. The dispositions from the Revenue Fund to other funds required by Sections 8.03 through 8.10 hereof shall be made as provided herein 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 intends to spend for such Facilities during such Fiscal Year. Each such Annual Budget shall set forth all sums intended to be expended or deposited by the University pursuant to this Article VIII. Copies of such Annual Budget shall be sent 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. Deposits to and Withdrawals from the Operation and Maintenance Fund.

At such times, and from time to time as shall be necessary for the purposes for which the Operation and Maintenance Fund is established, moneys in the Revenue Fund and, to the extent moneys in the Revenue Fund are insufficient, Additional Funds shall be deposited by the Trustee in the Operation and Maintenance Fund in amounts estimated by the Chief Financial Officer to be sufficient to pay for the regular, non-capital costs of operation and maintenance of the Facilities for such time period 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 (provided, however, that the fees and charges of the Paying Agent, Registrar, Trustee or other fund custodian may be paid by the State Treasurer directly from the Revenue Fund, and such payments shall nonetheless be deemed to be costs of operating and maintaining the Facilities), the costs of audits required hereunder, and the premiums for all insurance policies and any fidelity bonds required by this Bond Resolution. Moneys on deposit in the Operation and Maintenance Fund shall be withdrawn by the University from time to time to pay such costs.

To the extent that moneys on deposit in the Operation and Maintenance Fund at any time exceed the amount estimated by the Chief Financial Officer to be necessary for payment of the costs referred to in this Section 8.03 during the applicable time period, such moneys may be withdrawn from the Operation and Maintenance Fund and deposited to other funds or uses referenced in Section 8.04 through 8.10 in the order of priority established by the sequence of those sections.

Section 8.04. Payments for Bonds.

To the extent that deposits have been made in the amounts and at the times required in Section 8.03, provision shall be made for the payment of the principal of and interest on all Bonds then Outstanding from the Revenue Fund and, to the extent moneys in the Revenue Fund are insufficient, Additional Funds, 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 deposited 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, 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 deposited in the respective Debt Service Funds a sum equal to one-half (1/2) 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 the ensuing Bond Payment Date. 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, 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.

(C) Notwithstanding anything contained in this Resolution to the contrary, all Subsidies received shall, without condition, be deposited directly to the Debt Service Fund for payment of principal and interest on the applicable Bonds at such times and shall be included in those amounts required to be deposited in the Debt Service Fund as specified in Section 8.04(A) and Section 8.04(B) above. The Subsidies deposited in the Debt Service Fund shall not be transferred to any other fund established under this Resolution and shall only be used to pay debt service on the applicable Bonds.

Section 8.05. Deposits for the Debt Service Reserve Funds; Valuation; Use of Excess Amounts.

(A) To the extent that deposits have been made in the amounts and at the times required in Sections 8.03 and 8.04, deposits from the Revenue Fund and, to the extent moneys in the Revenue Fund are insufficient, Additional Funds, shall next be made in the amounts required by this Section 8.05 into any Debt Service Reserve Funds. The market value of the cash and securities in each Debt Service Reserve Fund, if any, shall be calculated as of each June 30th, to be completed within forty-five (45) days after such 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 7.05(D) hereof, in a Debt Service Reserve Fund at the end of such Fiscal Year is determined not to equal the applicable Reserve Requirement, then the deficiency shall be met through the payment into the applicable Debt Service Reserve Fund as quickly as practicable, but in any event, in not less than two (2) equal payments, and not later than on the fifteenth day of the months immediately preceding the two next succeeding Bond Payment Dates equal to fifty percent (50%) of the amount necessary to re-establish in such Debt Service Reserve Fund its respective Reserve Requirement. Whenever, and as of any date of calculation, the value of securities and money in any Debt Service Reserve Fund shall exceed the Reserve Requirement therefor, such excess may either be used to effect partial redemption of the applicable Series of Bonds or may be removed from the Debt Service Reserve Fund and transferred to the Revenue Fund, as directed by the Chief Financial Officer or his designee.

(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 7.05(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.

(C) The value of any Authorized Investments in a Debt Service Reserve Fund shall be calculated as follows:

(1) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal or in The New York Times or on a nationally recognized securities quotation service as selected by the Trustee, the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination or, if applicable, the most recently available closing price;

(2) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times or a nationally recognized securities quotation service as selected by the Trustee, the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(3) as to certificates of deposit and bankers acceptances, the face amount thereof, plus accrued interest; and

(4) as to any investment not specified above, the value thereof established by prior agreement between the University, the Trustee and any municipal bond insurance company insuring such Series of Bonds.

Section 8.06. Reimbursement of Interest on Amounts Advanced for Debt Service Reserve Funds.

To the extent that deposits to funds have been made in the amounts required and, if applicable, on or before the dates required in Section 8.03, 8.04 and 8.05 hereof, provision shall then 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 7.05(D) hereof.

Section 8.07. Payments for Junior Lien Bonds.

To the extent that deposits have been made in the amounts and at the times required in Sections 8.03, 8.04, 8.05 and 8.06, provision shall then 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 8.08. Deposits to Maintenance Reserve Fund.

To the extent that deposits to funds have been made in the amounts required and on or before the dates required in Sections 8.03, 8.04, 8.05, 8.06 and 8.07, the Trustee may, at the direction of the University, deposit monies in the Revenue Fund into the Maintenance Reserve Fund.

Section 8.09. Withdrawals of Funds for other Lawful Purposes.

To the extent that deposits to funds have been made in the amounts required and on or before the dates required by Sections 8.03, 8.04, 8.05, 8.06, 8.07 and 8.08, Revenues remaining in the Revenue Fund may be withdrawn by the University and used for improvement, enlargement or extension of the Facilities, or payment of Bonds then Outstanding or for any other lawful purposes.

Section 8.10. Disposition of Excess Moneys in Funds.

Whenever there shall no longer be any Bond Outstanding under this Bond Resolution and all fees and expenses of the Trustee and Paying Agents and all other sums due and owing hereunder have been paid or due provision made for such payment all moneys then remaining in any fund (exclusive of moneys, if any, held therein for the purposes of Article XVI) shall, if an Event of Default as defined herein shall not then exist or be continuing, be paid to the University, exclusive, however, of any moneys then credited to any fund required for payment to the parties entitled thereto.

[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) The Gross Revenues and the sources from whence derived;

(3) All expenses incurred in the operation and maintenance of the Facilities suitably identified as to purpose;

(4) The 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 the Facilities; and

(7) Additional Funds; and

(8) Any Subsidies.

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 the 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 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 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), Code of Laws of South Carolina 1976, 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:
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, 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, and the University further obligates itself and covenants and agrees with the Bondholders to operate and maintain in good condition the Facilities, and to collect and charge such rates for the services provided by or the use of the Facilities so that the income and revenues of the Facilities will be sufficient at all times to meet the requirements of this Bond Resolution;

(C) That it will not discriminate, nor permit discrimination, by its agents, lessees, or others operating the Facilities in the use thereof because of race, religion, creed or national origin;

(D) 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;

(E) 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 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;

(F) 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;

(G) That it will make all payments or deposits required under Articles VII and VIII of this Bond Resolution in a timely manner; and

(H) 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 the 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 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 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 deposited in a separate fund with the Trustee and applied either (a) to the Maintenance Reserve Fund, or (b) applied 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 the University in or by an of the 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 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;

(4) To cure, correct and remove any ambiguity or inconsistent provisions contained in this Bond Resolution; or

(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 municipal bond insurance company insuring any Bonds of a Series that would be affected, 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 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;

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 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, insurance policy, line of credit or letter of credit as contemplated under Section 7.05(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; provided, however, in the event a Series of Bonds has been insured by a municipal bond insurance company, the Trustee shall obtain the written consent of such municipal bond insurance company prior to declaring the Bonds of such Series 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, 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;

(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 is 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; 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 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, 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 Revenue Fund, the Operation and Maintenance Fund, the Maintenance Reserve Fund, and the Debt Service Funds and any 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 Reserve Fund; and

(4) Listing all securities, if any, pledged pursuant to Section 15.13 hereof.

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; provided, always, that if the University shall be dissatisfied with the institution resulting from the merger, consolidation or other action spoken of above, then the University may at any time within thirty (30) days after such action name a new Trustee (with the qualifications prescribed by Section 15.09 hereof) in lieu of the Trustee then acting.

Section 15.13. Disposition of Paid Bonds.

It shall be the duty of the Trustee to cancel all Bonds which shall have been paid, whether upon their maturity or redemption prior to maturity; such cancellation shall be done in such fashion as to render such Bonds incapable of further negotiation or hypothecation. In any event it shall furnish appropriate certificates to the University indicating the disposition of such Bonds. Upon effecting such cancellation, the Trustee shall furnish appropriate certificates to the University setting forth the disposition made of the Bonds so cancelled.

Section 15.14. 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 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 $25,000,000 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 15.15. 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 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 and interest 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. 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, insurance policy, line of credit or letter of credit as contemplated under Section 7.05(D) hereunder may enforce the terms, conditions and obligations under this Bond Resolution as a third party beneficiary hereunder.

Section 17.02. Municipal Bond Insurance Company Deemed Holder.

In the event that a Series of Bonds has been insured by a municipal bond insurance company, such municipal bond insurance company shall be deemed to be the Holder of all of the Bonds of such Series for purposes of exercising the rights of Holders under Article XIV (except Section 14.01 thereof) and Section 15.08 hereof.

Section 17.03. Breach of Municipal Bond Insurance Company.

Notwithstanding anything in this Bond Resolution to the contrary, in the event a municipal bond insurance company is in breach of its obligations under the applicable municipal bond insurance policy insuring payment of a Series of Bonds, or is subject to bankruptcy or receivership proceedings, such municipal bond insurance company shall have none of the rights or powers provided to it pursuant to Article XIV and Section 17.02 hereof at the time of such breach or upon institution of such proceedings.

Section 17.04. 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 17.05. 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 17.06. 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 17.07. Repealing Clause.

All resolutions, or parts thereof, inconsistent herewith be and the same are hereby repealed to the extent of such inconsistencies, except to the extent the provisions of such resolutions constitute official intent for purposes of ?1.150-2 of the Internal Revenue Code of 1986, as amended.

[End of Article XVII]

EXECUTED THIS 21st day of June, 1996.

Chairman, Board of Trustees
of the University of South Carolina

Attest:

Secretary, Board of Trustees
of the University of South Carolina

A RESOLUTION

PROVIDING FOR THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF HIGHER EDUCATION REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING $84,000,000; AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO.

SERIES RESOLUTION

April 24, 2026

TABLE OF CONTENTS

ARTICLE I
FINDINGS OF FACT

Section 1.01 Findings. 1

ARTICLE II
DEFINITIONS AND AUTHORITY

Section 2.01 Definitions. 3
Section 2.02 Authority for this Series 2026 Resolution. 5

ARTICLE III
AUTHORIZATION AND TERMS OF THE SERIES 2026 BONDS

Section 3.01 Principal Amount and Designation of Series 6
Section 3.02 Purposes. 6
Section 3.03 Direction to Chief Financial Officer and State Treasurer. 6
Section 3.04 Maturity Schedule; Interest Payment Dates. 6
Section 3.05 Optional Redemption. 7
Section 3.06 Mandatory Sinking Fund Redemption 7
Section 3.07 Partial Redemption. 8
Section 3.08 Conditions Relating to Naming Interest Rates. 8
Section 3.09 Purchase of Municipal Bond Insurance Policy; Series 2026 Reserve Requirement. 8
Section 3.10 Authentication; Payment of Interest. 9
Section 3.11 Denomination; Numbering. 9
Section 3.12 Appointment of Trustee; Maintenance of Paying Agent and Registrar 9
Section 3.13 Form of Bonds. 9
Section 3.14 Book-Entry System 9
Section 3.15 Designation of Source or Sources of Revenue for Repayment of Series 2026 Bonds. 10

ARTICLE IV
EXECUTION; NO RECOURSE

Section 4.01 Execution. 12
Section 4.02 No Recourse. 12

ARTICLE V
SERIES 2026 CONSTRUCTION FUND

Section 5.01 Establishment of Series 2026 Construction Fund; Investments. 13

ARTICLE VI
DISPOSITION OF PROCEEDS

Section 6.01 Disposition of Proceeds of Series 2026 Bonds. 14
Section 6.02 Establishment and Funding of Series 2026 Debt Service Fund. 14
Section 6.03 Establishment and Funding of Series 2026 Debt Service Reserve Fund. 14
Section 6.04 Establishment and Funding of Series 2026 Costs of Issuance Fund. 16

ARTICLE VII
SALE OF SERIES 2026 BONDS

Section 7.01 Manner of Sale. 17
Section 7.02 Distribution of Official Statement. 17

ARTICLE VIII
CONTINUING DISCLOSURE

Section 8.01 Continuing Disclosure. 18

ARTICLE IX
SERIES 2026 NOTES

Section 9.01 Authority to Issue Series 2026 Notes; Board of Trustees Approval of Amount. 19
Section 9.02 Details of Series 2026 Notes. 19
Section 9.03 Security for Series 2026 Notes. 21

ARTICLE X
TAX COVENANTS

Section 10.01 Compliance with the Code Generally. 22
Section 10.02 Rebate. 22
Section 10.03 Reimbursement Declaration. 23
Section 10.04 Taxable Series. 24

ARTICLE XI
MISCELLANEOUS

Section 11.01 Combining of Series 2026 Bonds and Previously Authorized Bonds. 25
Section 11.02 Severability. 25
Section 11.03 Table of Contents and Section Headings Not Controlling. 25
Section 11.04 Repealing Clauses. 25
Section 11.05 Series 2026 Bonds Issued as Multiple Series. 25

EXHIBIT A – FORM OF BOND
EXHIBIT B – CONTINUING DISCLOSURE UNDERTAKING
EXHIBIT C – FORM OF NOTE

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

Section 1.01 Findings.

As an incident to the adoption of this resolution (hereinafter, this "Series Resolution" or the "Series 2026 Resolution"), and the issuance of the Higher Education Revenue Bonds or Notes provided for herein, the Board of Trustees of the University of South Carolina (the "Board of Trustees"), the governing body of the University of South Carolina (the "University"), finds, as a fact, that each of the statements hereinafter set forth in this Article I is in all respects true and correct.

(A) The Board of Trustees has made general provision for the issuance from time to time of University of South Carolina Higher Education Revenue Bonds (the "Bonds") through the means of a resolution adopted on June 21, 1996, entitled "AN AMENDATORY AND RESTATED RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF UNIVERSITY OF SOUTH CAROLINA REVENUE BONDS AND OTHER MATTERS RELATING THERETO" (as amended or supplemented, 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 purposes of (i) financing or refinancing in whole or in part the cost of acquisition, construction, renovation and improvement of land, buildings, and other improvements to real property and equipment for new and existing Facilities; (ii) funding any Debt Service Reserve Fund (including the purchase of a surety bond, insurance policy, line of credit, 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; (iii) purchasing or providing for credit enhancement for any Series of Bonds; (iv) capitalizing interest on the Bonds for such period of time as the Board of Trustees may determine; and (v) paying costs of issuance of the Bonds.

(C) The Board of Trustees has determined that a current need exists to acquire, construct, reconstruct, improve, and equip certain multiuse facilities that blend various aspects of conference, inn, dining hall, student recreation and entertainment, and other nondegree educational facilities in one or more spaces or structures, which may be integrated with or proximate to the University's Williams-Brice Stadium (the "Project"). The Project is currently planned to consist of two components: (i) a multi-use student facility integrated into the North Side of Williams-Brice Stadium (the "Student Facility"), and a multi-use premium entertainment facility adjacent to Williams-Brice Stadium (the "Premium Entertainment Facility"). The Student Facility is intended to support a wide range of University community needs, including student meeting and collaboration spaces, areas for student organization activities, study and lounge environments, and flexible rooms for programming, events, and academic-related (but nondegree) engagement. Intended uses of the Student Facility also encompass student services, leadership development initiatives, and other activities that enhance campus life and student involvement. The Premium Entertainment Facility is designed to provide flexible space for University advancement, development, and fundraising activities, including donor engagement events, alumni gatherings, corporate partnerships, and special event programming. The Premium Entertainment Facility may also support revenue-generating opportunities through hosting events, conferences, and entertainment functions that align with the University's mission and strategic goals. The Project shall primarily serve the greater University

community and not the varsity athletic teams of the University; provided, however, that nothing shall prohibit incidental use of the Project by the athletic department by agreement. In order to finance the Project, it is anticipated that debt in the aggregate principal amount of not exceeding $84,000,000 must be incurred, which sum will produce sufficient funds for the costs of the Project. The Project shall constitute, and is hereby designated as, Facilities under the Bond Resolution upon the issuance of the Series 2026 Bonds (as defined herein) therefor, and it is intended that, upon such issuance, no portion of the Project shall constitute or be designated as "Athletic Facilities" for the purposes of the resolution adopted October 19, 2001, entitled "A Resolution Providing For The Issuance And Sale Of Athletic Facilities Revenue Bonds Of The University Of South Carolina, And Other Matters Relating Thereto," pursuant to which the University issues Athletic Facilities Revenue Bonds.

(D) Accordingly, the Board of Trustees has determined to issue not exceeding $84,000,000 aggregate principal amount of University of South Carolina Higher Education Revenue Bonds, in one or more Series, pursuant to the Enabling Act and the Bond Resolution (the "Series 2026 Bonds"), the proceeds of which will be used (i) to pay the costs of, and reimburse the University for capital expenditures made in connection with, the Project, including any capitalized interest on the Series 2026 Bonds; (ii) to pay the cost of issuance of the Series 2026 Bonds, including the premium on any Municipal Bond Insurance Policy (as such term is defined herein) or debt service reserve fund funding substitute; and (iii) to pay the principal of and interest on any Series 2026 Notes (as such term is defined herein) whether at maturity or early redemption.

(E) The University finds that the issuance of the Series 2026 Bonds is necessary to provide funds to be used and expended for the Project, as authorized by the Bond Resolution and the Enabling Act.

(F) In accordance with Section 4.01(B)(16) of the Bond Resolution, the Board of Trustees has further determined that the applicable Reserve Requirements, if any, for all Series of Bonds Outstanding (as defined in the Bond Resolution) have been or will be met.

(G) 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 the Series 2026 Notes as described herein.

* * *

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 Series Resolution as such terms are given in the Bond Resolution.

(B) In addition, as used in this Series Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

"Beneficial Owner" means, for any Series 2026 Bond which is held by a nominee, the beneficial owner of such Series 2026 Bond.

"Bond Payment Date" means each date, as determined pursuant to Section 3.04 hereof, on which interest on any Series 2026 Bonds shall be payable or on which both a Principal Installment and interest on Series 2026 Bonds shall be payable.

"Bond Resolution" means that certain resolution adopted by the Board of Trustees on June 21, 1996, entitled "AN AMENDATORY AND RESTATED RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF UNIVERSITY OF SOUTH CAROLINA REVENUE BONDS AND OTHER MATTERS RELATING THERETO," as from time to time amended and supplemented.

"Chief Financial Officer" means the Executive Vice President for Administration and Chief Financial Officer of the University, who shall act as the Chief Financial Officer for the purposes of the Bond Resolution.

"Continuing Disclosure Undertaking" means that certain Continuing Disclosure Undertaking 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 designated office at which the corporate trust business of such party shall be administered with respect to the Series 2026 Bonds and to the extent the State Treasurer shall act as Paying Agent and Registrar, "Corporate Trust Office" shall mean the Office of the State Treasurer.

"Date of Issue," with respect to the Series of Bonds or any Series 2026 Notes issued hereunder, means the date from which interest accrues on such obligations.

"Depository" means The Depository Trust Company or other recognized securities depository selected by the University, which securities depository maintains a book-entry system with respect to Series 2026 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 2026 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.

"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 any Series 2026 Bonds.

"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 an offer of Series 2026 Bonds or Series 2026 Notes containing the terms and conditions for the competitive 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 Series 2026 Bonds or Series 2026 Notes in such form as approved by the Chief Financial Officer and as more particularly described in Section 7.02 or Section 9.02 hereof.

"Participants" means those broker-dealers, banks and other financial institutions for which the Depository holds Series 2026 Bonds as depository.

"Preliminary Official Statement" means any Preliminary Official Statement of the University to be prepared and distributed in connection with a public sale or a private sale for public reoffering and delivery of Series 2026 Bonds or Series 2026 Notes, in such form as approved by the Chief Financial Officer and as more particularly described in Section 7.02 or Section 9.02 hereof.

"Record Date" means the 15th day of the month preceding each Bond Payment Date.

"Series 2026 Bonds" means the Bonds, in one or more Series, of the University authorized and issued pursuant to the Enabling Act, the Bond Resolution, and this Series Resolution.

"Series 2026 Construction Fund" means any Series 2026 Construction Fund established pursuant to Section 5.01 hereof.

"Series 2026 Debt Service Fund" means any Debt Service Fund for the Series 2026 Bonds created pursuant to Section 6.02 hereof.

"Series 2026 Debt Service Reserve Fund" means any Debt Service Reserve Fund for the Series 2026 Bonds created pursuant to Section 6.03 hereof.

"Series 2026 Notes" means the Higher Education Revenue Bond Anticipation Notes of the University authorized to be issued hereunder.

"Series 2026 Reserve Requirement" means the Reserve Requirement, if any, as determined by the Chief Financial Officer and the State Treasurer to be the amount necessary to market the Series 2026 Bonds of a Series, at interest rates comparable to that enjoyed by credits of the nature of Series 2026 Bonds, provided that any such Series 2026 Reserve Requirement shall be funded only at a level which will not result in a requirement to yield restrict any invested funds in the Series 2026 Debt Service Reserve Fund to the applicable yield on the Series 2026 Bonds.

"Series 2026 Resolution" or this "Series Resolution" means this resolution of the Board of Trustees adopted April 24, 2026 pursuant to the Bond Resolution providing for the issuance and sale of the Series 2026 Bonds, and any supplements or amendments thereto.

"Sinking Fund Date" has the meaning given that term in Section 3.06 hereof.

"State Treasurer" means the Treasurer of the State of South Carolina or the Office of the State Treasurer of South Carolina.

"Taxable Series" means a Series of Series 2026 Bonds so designated by the Chief Financial Officer, the interest upon which is not excluded from income for federal income tax purposes.

Section 2.02 Authority for this Series 2026 Resolution.

This Series 2026 Resolution is adopted pursuant to the provisions of the Enabling Act and the Bond Resolution.

* * *

ARTICLE III

AUTHORIZATION AND TERMS OF THE SERIES 2026 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 $84,000,000. Subject to the provisions of paragraph (B) of this Section, the Series 2026 Bonds shall be designated "University of South Carolina Higher Education Revenue Bonds, Series 2026" or such other Series designation as may be determined by the Chief Financial Officer.

(B) Notwithstanding anything in this Series Resolution to the contrary, the Series designation of the Bonds authorized herein may, prior to the sale thereof, be changed from "Series 2026" to any other designation, including a designation reflecting the year of issuance or alphanumeric designation to distinguish between or among Series 2026 Bonds issued as separate Series in the same year, as may be determined by the Chief Financial Officer in his sole discretion.

Section 3.02 Purposes.

The Series 2026 Bonds, together with other funds available to the University, are authorized for the purposes of:

(1) paying the costs of, and reimbursing the University for capital expenditures previously made in connection with, the Project, including capitalized interest on the Series 2026 Bonds, if any;

(2) paying the costs of issuance of the Series 2026 Bonds, including the premium on any Municipal Bond Insurance Policy or debt service reserve fund funding substitute; and

(3) paying the principal of and interest on any Series 2026 Notes whether at maturity or early redemption.

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 2026 Bonds, in one or more Series, upon the terms and conditions set forth herein for the purposes set forth in Section 3.02 hereof in the amount or amounts determined by the Chief Financial Officer and the State Treasurer, not exceeding $84,000,000 in aggregate principal amount.

Section 3.04 Maturity Schedule; Interest Payment Dates.

The Series 2026 Bonds shall mature in the principal amounts and on the dates and in the years as shall be determined by the Chief Financial Officer and the State Treasurer; provided that final maturity of the Series 2026 Bonds shall occur not later than that date permitted by the Enabling Act. The Series 2026 Bonds shall bear interest at rates determined in the manner prescribed by Section 3.08 and Article VII hereof on the basis of a 360-day year consisting of twelve 30-day months. Each Series of Series 2026 Bonds shall be dated its Date of Issue as shall be determined by the Chief Financial Officer and the State Treasurer, and interest on the Series 2026 Bonds shall be payable on such dates as shall be determined by the Chief Financial Officer and the State Treasurer. The Chief Financial Officer and the State Treasurer are authorized

to determine which portion of the Series 2026 Bonds shall be Serial Bonds and which shall be Term Bonds, but no Series 2026 Bonds shall be Capital Appreciation Bonds.

Section 3.05 Optional Redemption.

(A) The Chief Financial Officer, in his discretion and on advice received, shall determine whether Series 2026 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 2026 Bonds, it shall give notice to the Trustee, Registrar and Paying Agent of each optional redemption. Such notice shall specify the date fixed for redemption and the amount and maturities of the Series 2026 Bonds which are to be redeemed. Such notice may be conditional upon any event or occurrence set forth in such notice, and the obligation of the Registrar to provide the notice of redemption shall not be conditioned on the prior deposit of the amount due at the redemption date.

Section 3.06 Mandatory Sinking Fund Redemption.

(A) Certain of the Series 2026 Bonds, as determined in accordance with conditions established by the Chief Financial Officer and the State Treasurer at or prior to the sale of such Series 2026 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 2026 Bonds of a Series 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 2026 Bonds so designated for mandatory redemption on the applicable Sinking Fund Date.

(C) The University, at its option, to be exercised prior to the 45th day immediately preceding any Sinking Fund Date, may:

(1) cause to be paid to the Paying Agent as a prepayment of sums then to become due, such amount of funds as the University may determine, with written instructions to the Paying Agent, signed in the name of the University, to be applied prior to said 45th day to the purchase of Series 2026 Bonds which are subject to mandatory redemption, or

(2) deliver any principal amount of Series 2026 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 2026 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 2026 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 2026 Bonds maturing on such Sinking Fund Date or returned to the Trustee for the benefit of the University. The Series 2026 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 2026 Bonds of the applicable Series and 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 2026 Bonds are to be redeemed pursuant to any section of this Series Resolution, the Series and maturities of the Series 2026 Bonds to be redeemed shall be as determined by the University. If less than all of a maturity of a Series of Series 2026 Bonds is to be redeemed, the particular Series 2026 Bonds or portions of Series 2026 Bonds of the applicable maturity and Series to be redeemed shall be selected not less than 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 2026 Bonds shall bear such rate or rates of interest as shall at the sale of Series 2026 Bonds referred to in Section 7.01 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) each interest rate named shall be a multiple of 1/20th or 1/8th of one percentage point; and

(2) all other restrictions as may be imposed by the State Treasurer and the Chief Financial Officer (including any modifications of Paragraph (1) above if deemed to be in the best interest of the University) prior to the sale of the Series 2026 Bonds shall apply.

Section 3.09 Purchase of Municipal Bond Insurance Policy; Series 2026 Reserve Requirement.

If in the judgment of the Chief Financial Officer and the State Treasurer the purchasing of a Municipal Bond Insurance Policy, and/or a debt service reserve fund funding substitute as permitted by Section 7.05(D) of the Bond Resolution and Section 6.03 hereof to satisfy the Series 2026 Reserve Requirement for Series 2026 Bonds, will enhance the marketing of the Series 2026 Bonds such that a savings to the University would otherwise be realized, the Chief Financial Officer is hereby authorized to effect the purchase of such Municipal Bond Insurance Policy and/or funding substitute. In this respect, the Chairman of the Board of Trustees and the Chief Financial Officer, or either one of them acting alone, are hereby authorized to execute and deliver, upon advice of Bond Counsel, any necessary reimbursement agreements or other insurance agreements with the provider of any Municipal Bond Insurance Policy or debt service reserve fund funding substitute. The University hereby covenants to comply with the covenants and agreements as shall be contained in any such reimbursement or insurance agreement, as if such covenants and agreements were set forth verbatim herein and in the Bond Resolution. Such covenants and agreements shall be deemed to be supplemental and amendatory to the Bond Resolution.

Section 3.10 Authentication; Payment of Interest.

(A) Each of the Series 2026 Bonds shall be authenticated on such date as it shall be delivered and shall bear interest from its 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 2026 Bonds shall be paid by check or draft mailed from the Corporate Trust Office of the Paying Agent to the person in whose name the Series 2026 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 2026 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 2026 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 3.11 Denomination; Numbering.

The Series 2026 Bonds shall be issued in the denomination of $5,000 or any multiple thereof, not exceeding the principal amount of the Series 2026 Bonds maturing in such year. Each maturity of the Series 2026 Bond shall be numbered sequentially from "R-1" in such a fashion as to reflect the fact that it is one of the Series 2026 Bonds, and to identify the Holder thereof on the books kept by the Registrar.

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 Series Resolution. The State Treasurer shall signify its acceptance of the duties of the Trustee under this Series Resolution and the Bond Resolution upon delivery of the Series 2026 Bonds.

(B) As long as any Series 2026 Bonds remain Outstanding, the University shall maintain a Paying Agent and a Registrar therefor, which may be the Trustee. The Chief Financial Officer and the State Treasurer shall determine the Paying Agent and Registrar for each Series of the Series 2026 Bonds, prior to the sale thereof.

(C) The Series 2026 Bonds shall be presented for payment, and notices and demands to or upon the Trustee and the University in respect to the Series 2026 Bonds may be served, at the Corporate Trust Office of the Paying Agent. The Series 2026 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 2026 Bonds shall be substantially in the form attached hereto as Exhibit A, with such changes, modifications or amendments to the form attached hereto as Exhibit A as shall, upon advice of Bond Counsel, be approved by the Chief Financial Officer and the State Treasurer, the execution thereof by the Chief Financial Officer constituting conclusive approval of any and all changes, modifications, or amendments.

Section 3.14 Book-Entry System.

Unless otherwise determined by the Chief Financial Officer and the State Treasurer prior to the sale of the applicable Series of Series 2026 Bonds, such Series of Series 2026 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 2026 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 2026 Bonds of the same maturity and Series or any integral multiple of $5,000, with each increment of $5,000 being separately of a single maturity.

The Series 2026 Bonds shall be issued in fully registered form, and, if issued as book entry-only securities, shall be issued in one certificate for each of the maturities and Series of the Series 2026 Bonds, in the name of Cede & Co., as Depository Nominee. When any principal of, premium, if any, or interest on the Series 2026 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 2026 Bonds so registered for all purposes of this Series Resolution, including, without limitation, payments as aforesaid and receipt of notices and exercise of rights of Series 2026 Bond owners.

The Trustee shall notify the Depository of any notice of redemption required to be given pursuant to this Series Resolution not less than 30 nor more than 60 days prior to the date fixed for redemption.

The Depository is expected to maintain records of the positions of Participants in the Series 2026 Bonds, and the Participants and persons acting through Participants are expected to maintain records of the Beneficial Owners in the Series 2026 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 2026 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 2026 Bonds, together with an assignment duly executed by the Depository, the University shall execute and deliver to the successor depository, Series 2026 Bonds of the same Series, 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 2026 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 2026 Bonds by mailing an appropriate notice to the Depository, upon receipt by the University of the Series 2026 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 2026 Bonds in fully registered form, in substantially the form set forth in this Series Resolution, and in denominations of $5,000 or any integral multiple thereof.

Section 3.15 Designation of Source or Sources of Revenue for Repayment of Series 2026 Bonds.

The Board of Trustees hereby designates Net Revenues and Additional Funds as the sources of revenue designated for the repayment of the Series 2026 Bonds in accordance with Section 59-147-110 of the Enabling Act. The Board of Trustees, by prior action, has designated and determined that the "Facilities" are (i) student and faculty housing, including, but not limited to, dormitories, apartment buildings and

dwelling houses, (ii) parking facilities, (iii) the bookstore facility in the Health Education Complex located on the University's Upstate Campus, and (iv) the Campus Village Auxiliary Facilities.

* * *

ARTICLE IV

EXECUTION; NO RECOURSE

Section 4.01 Execution.

The Series 2026 Bonds shall be executed and authenticated in accordance with the applicable provisions of the Bond Resolution; provided, however, that the Chief Financial Officer shall also execute any Bonds in addition to the required signatories in the Bond Resolution.

Section 4.02 No Recourse.

All covenants, stipulations, promises, agreements and obligations of the University contained in the Bond Resolution or in this 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 2026 Bonds or for any claim based thereon or on the Bond Resolution or on this Series Resolution, either jointly or severally, against any officer or employee of the University or any person executing the Series 2026 Bonds.

* * *

ARTICLE V

SERIES 2026 CONSTRUCTION FUND

Section 5.01 Establishment of Series 2026 Construction Fund; Investments.

(A) There is hereby established a Series 2026 Construction Fund which shall be maintained by the Trustee for the benefit of the University. The proceeds of the Series 2026 Bonds set forth in Section 6.01(A)(1) hereof shall be deposited in the Series 2026 Construction Fund. All earnings on moneys in the Series 2026 Construction Fund shall accrue to the benefit of the Series 2026 Construction Fund and shall be available to pay or reimburse costs of the Project. The Trustee may provide from time to time for the investment of moneys in the Series 2026 Construction Fund in Authorized Investments having suitable maturities consonant with the need for application of the moneys in the Series 2026 Construction Fund; provided, however, that the State Treasurer shall have the discretion, with due regard for the rebate compliance provisions set forth in Section 10.02 hereof, to invest moneys in the Series 2026 Construction Fund in Authorized Investments having suitable maturities consonant with the need for the application of such moneys.

(B) Upon the acquisition and construction of the Project, and the expenditure of all sums necessary therefor, any moneys remaining in the Series 2026 Construction Fund at such time shall, at the discretion of the Chief Financial Officer, be used to fund any amounts required to be paid into the rebate fund described in Section 10.02 hereof, or be deposited to the Series 2026 Debt Service Fund, unless otherwise directed by the Chief Financial Officer.

* * *

ARTICLE VI

DISPOSITION OF PROCEEDS

Section 6.01 Disposition of Proceeds of Series 2026 Bonds.

(A) Upon the delivery of the Series 2026 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 fund the Series 2026 Debt Service Reserve Fund shall be deposited therein;

(2) the amount determined necessary by the Chief Financial Officer to defray or reimburse Project costs, shall be deposited in the Series 2026 Construction Fund;

(3) the amount determined necessary by the Chief Financial Officer to defray capitalized interest shall be deposited to the Series 2026 Debt Service Fund and credited to the Capitalized Interest Account created pursuant to Section 6.02;

(4) the amount necessary to pay the principal of and interest on any Series 2026 Notes, whether at maturity or early redemption, shall be applied to such purpose; and

(5) all remaining amounts shall be deposited to the Series 2026 Costs of Issuance Fund to defray the costs of issuance of the Series 2026 Bonds, including costs of credit enhancement therefor, if any.

(B) Neither the purchaser of the Series 2026 Bonds nor any Holder of the Series 2026 Bonds shall be liable for the proper application of the proceeds of the Series 2026 Bonds.

(C) Should any financing expenses, such as the premium for any Municipal Bond Insurance Policy, require direct payment from the purchaser of the Series 2026 Bonds, such payment may be made directly and netted out of the proceeds to be deposited at item (A) above, upon approval of the Chief Financial Officer and State Treasurer.

Section 6.02 Establishment and Funding of Series 2026 Debt Service Fund.

The Board of Trustees hereby establishes, pursuant to Section 7.04 of the Bond Resolution, the Series 2026 Debt Service Fund. If proceeds of Series 2026 Bonds are used to pay capitalized interest on the Series 2026 Bonds, a Capitalized Interest Account of the Series 2026 Debt Service Fund shall be established. A physically separate Capitalized Interest Account need not be established so long as appropriate records allow for the identification of funds.

Section 6.03 Establishment and Funding of Series 2026 Debt Service Reserve Fund.

(A) The Chief Financial Officer shall determine the necessity of establishing a Series 2026 Debt Service Reserve Fund, to be funded in the amount of the Series 2026 Reserve Requirement, which may be satisfied, at the discretion of the Chief Financial Officer, by the deposit in the Series 2026 Debt Service Reserve Fund of proceeds of the Series 2026 Bonds or, as provided in Section 3.09 hereof, through the purchase of a debt service reserve fund funding substitute as permitted by Section 7.05(D) of the Bond Resolution; such funding substitute to be purchased, at the discretion of the Chief Financial Officer, with proceeds of the Series 2026 Bonds or with available monies of the University.

(B) The provisions of Sections 6.03 (C) through (G) below shall govern in the event it is determined, pursuant to Paragraph (A) above and Section 3.09 hereof, to purchase a debt service reserve fund funding instrument contemplated by Section 7.05(D) of the Bond Resolution to satisfy the Series 2026 Reserve Requirement, either in whole or in part.

(C) In the event the Series 2026 Debt Service Reserve Fund is funded with both moneys and a surety bond, letter of credit, line of credit, insurance policy or similar instrument, any withdrawals from such Series 2026 Debt Service Reserve Fund pursuant to the provisions of this Series Resolution shall be made first from such moneys (or the liquidation of investments made therewith) and second from such surety bond, letter of credit, line of credit, insurance policy or similar instrument. The surety bond, letter of credit, line of credit, insurance policy or similar instrument shall be payable (upon the giving of notice as required thereunder) on any Bond Payment Date on which moneys will be required to be withdrawn from such Series 2026 Debt Service Reserve Fund and applied to the payment of the principal of or interest on the Series 2026 Bonds and such payments cannot be made by amounts credited to the Series 2026 Debt Service Fund.

(D) The provider of any such surety bond or insurance policy shall be an insurer whose insurance policies or guarantees insuring the payment of the principal of and interest on municipal bond issues results in such issues being rated at the Date of Issue in one of the two highest rating categories by any two of S&P or Moody's or Fitch or their respective successors. The surety bond or insurance policy, or similar instrument, must extend for the life of the Series 2026 Bonds and must be unconditional and irrevocable. The provider of a letter of credit, line of credit or similar instrument shall be a bank or trust company, acceptable to the Insurer, if any, and which is rated at the Date of Issue not lower than the second highest rating category by either S&P or Moody's or Fitch or their respective successors, and the letter of credit or line of credit itself shall be rated in the highest category of either of such rating agencies. If a letter of credit or similar instrument is provided under the provisions of this Section, then within 60 days of the expiration date of any said letter of credit or similar instrument, (1) the University shall, after giving written notice to the Trustee, obtain another letter of credit or similar instrument; or (2) the Trustee shall, at the written direction of the University, draw upon the letter of credit or similar instrument, in order to fund the Series 2026 Debt Service Reserve Fund with cash; or (3) the University shall, after giving written notice to the Trustee, fully fund the Series 2026 Debt Service Reserve Fund with cash. The Trustee shall be entitled to receive such opinions, including legal opinions, certificates and other documentation, as the Trustee shall request, prior to receipt of such surety bond, insurance policy, letter of credit, line of credit or similar instrument, by the Trustee.

(E) If a disbursement is made pursuant to a surety bond, insurance policy, letter of credit or line of credit provided pursuant to this Section, the University shall be obligated either (a) to reinstate the maximum limits of such instrument, or (b) to deposit into the Series 2026 Debt Service Reserve Fund cash in the amount of the disbursement made under any such instrument, or a combination of such alternatives, as shall provide that the amount credited equals the Series 2026 Reserve Requirement within a time period not longer than one year following the date of such disbursement.

(F) If the provider of a letter of credit, line of credit or similar instrument on deposit in the Series 2026 Debt Service Reserve Fund shall cease to have a rating described in Paragraph (D) above, the University shall either (i) replace such letter of credit or line of credit or similar instrument, with one issued by a provider having a rating so described within 90 days and shall pay, or commit to pay, any increased fees, expenses or interest in connection with such replacement or (ii) shall deposit Gross Revenues, in the priority established by Article VIII of the Bond Resolution, in the Series 2026 Debt Service Reserve Fund in two equal semi-annual payments that will, at the end of one year, equal the Series 2026 Reserve Requirement.

(G) In the event the Series 2026 Debt Service Reserve Fund is funded with both moneys and a surety bond, insurance policy, letter of credit or line of credit or similar instrument, as the latter are contemplated herein and by Section 7.05(D) of the Bond Resolution, any available revenues to replenish the Series 2026 Debt Service Reserve Fund shall be used, first, to reimburse the provider of such surety bond, insurance policy, letter of credit or line of credit or similar instrument for any amounts advanced, and, second, to replenish said moneys.

Section 6.04 Establishment and Funding of Series 2026 Costs of Issuance Fund.

(A) There is hereby established to provide for the disposition of funds to pay the costs of issuance of the Series 2026 Bonds, in accordance with Paragraph (14) of Section 4.01(B) of the Bond Resolution, the Series 2026 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 2026 Bonds, including the premium on any Municipal Bond Insurance Policy or debt service reserve fund funding substitute, shall be paid therefrom. Six months following the date of delivery of the Series 2026 Bonds, or on such earlier date as all applicable costs of issuance have been paid, all remaining sums shall be transferred to the Series 2026 Debt Service Fund or otherwise applied in a manner consistent with the disposition of surplus moneys in the Series 2026 Construction Fund.

(B) The Trustee may provide from time to time for the investment of moneys in the Series 2026 Costs of Issuance Fund in Authorized Investments having suitable maturities consonant with the need for application of the moneys therein. Any earnings on investment of money in the Series 2026 Costs of Issuance Fund shall accrue to the benefit of the Series 2026 Costs of Issuance Fund.

* * *

ARTICLE VII

SALE OF SERIES 2026 BONDS

Section 7.01 Manner of Sale.

(A) The Series 2026 Bonds may 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.

(B) If sold pursuant to a public sale, the Series 2026 Bonds 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 shall be in the form determined by the Chief Financial Officer and the State Treasurer. 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 2026 Bonds 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.

(C) If the Series 2026 Bonds are to be sold pursuant to negotiation, such Series 2026 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 2026 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 7.02 Distribution of Official Statement.

If sold pursuant to a public sale or a private sale for public reoffering, 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 2026 Bonds and, subsequent to the sale of the Series 2026 Bonds, a final Official Statement. The Chief Financial Officer is hereby authorized to deem the Preliminary Official Statement final pursuant to United States Securities and Exchange Commission Rule 15c2-12.

* * *

ARTICLE VIII

CONTINUING DISCLOSURE

Section 8.01 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, within 30 days of the University's receipt of the audit; and

(2) event specific information within thirty days of an event adversely affecting more than five percent of the Gross Revenues plus Additional Funds of the University.

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 2026 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 2026 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 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 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.

* * *

ARTICLE IX

SERIES 2026 NOTES

Section 9.01 Authority to Issue Series 2026 Notes; Board of Trustees Approval of Amount.

If the Chief Financial Officer and the State Treasurer should determine that issuance of Series 2026 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 2026 Notes pursuant to the Note Enabling Act. If Series 2026 Notes are issued and if, upon the maturity thereof the Chief Financial Officer and the State Treasurer should determine that renewal or refunding Series 2026 Notes would be in the best interest of the University, they are authorized to continue the issuance of Series 2026 Notes until the Chief Financial Officer and the State Treasurer determine to issue Series 2026 Bonds on the basis as aforesaid, and such Series 2026 Bonds are issued. The aggregate stated principal amount of all Series 2026 Notes outstanding from time to time shall not exceed $84,000,000.

The proceeds of any Series 2026 Notes issued hereunder shall be applied for the purpose for which proceeds of the Series 2026 Bonds may be applied, to provide for the renewal or refunding of any Series 2026 Notes, or to provide for the costs of issuance thereof, or any combination thereof.

Section 9.02 Details of Series 2026 Notes.

Subject to changes in terms required for any particular issue of Series 2026 Notes, the Series 2026 Notes and additional series of Notes, if any, shall be subject to the following particulars:

(A) The Series 2026 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 9.02(C) or 9.02(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 2026 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 2026 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 2026 Notes prior to the sale thereof. The Series 2026 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 2026 Notes shall bear such rate or rates of interest as shall at the sale of Series 2026 Notes referred to in Section 9.02(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 Paragraph (1) above that are deemed to be in the best interest of the University) prior to the sale of the Series 2026 Notes shall apply; and

(3) no rate of interest shall exceed 6% per annum.

(D) (1) The Series 2026 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 2026 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 2026 Notes and, subsequent to the sale of the Series 2026 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 2026 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 2026 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 2026 Notes shall state on their face that they are issued in anticipation of the issuance of the Series 2026 Bonds and are payable, both as to principal and interest, from the proceeds thereof.

(F) The Series 2026 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 2026 Note is mutilated, lost, stolen or destroyed, the University may execute a new Series 2026 Note of like date and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Series 2026 Notes, such mutilated Series 2026 Note shall first be surrendered to the University or to its designated agent, and in the case of any lost, stolen or destroyed Series 2026 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 2026 Note shall have matured, instead of issuing a duplicate Series 2026 Note, the University may pay the same without surrender thereof. The University or its agent may charge the holder of such Series 2026 Note with its reasonable fees and expenses in this connection.

(H) Any Series 2026 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 2026 Note, the Note Registrar shall issue, subject to the provisions of Paragraph (I) below, in the name of the

transferee, a new Series 2026 Note or Series 2026 Notes of the same aggregate principal amount as the unpaid principal amount of the surrendered Series 2026 Note or Series 2026 Notes. Any holder of a Series 2026 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 2026 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 2026 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 2026 Note to the extent of the sum or sums so paid.

(I) Series 2026 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 2026 Note or his duly authorized attorney, may, at the option of the holder of the Series 2026 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 2026 Notes in fully registered form of any other authorized denomination equal to the unpaid principal amount of surrendered Series 2026 Notes.

(J) In all cases in which the privilege of exchanging or transferring Series 2026 Notes in fully registered form is exercised, the University shall execute and deliver Series 2026 Notes in accordance with the provisions hereof. All Series 2026 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 2026 Note for such exchange or transfer of Series 2026 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 2026 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 2026 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 9.03 Security for Series 2026 Notes.

For the payment of the Series 2026 Notes, there are hereby pledged the proceeds derived from the sale of the Series 2026 Bonds issued pursuant to this Series Resolution or if such Series 2026 Bonds are not issued prior to the maturity of the Series 2026 Notes, from the sale, issuance and delivery of renewal or refunding Series 2026 Notes. The proceeds of such Series 2026 Bonds, when received by the University, shall be applied first to the payment of principal of and interest on the Series 2026 Notes. The University shall either issue such Series 2026 Bonds and apply the proceeds to the redemption of the Series 2026 Notes or shall provide funds therefor from other sources, including the issuance of renewal or refunding Series 2026 Notes.

* * *

ARTICLE X

TAX COVENANTS

Section 10.01 Compliance with the Code Generally.

The Board of Trustees hereby represents and covenants that it will comply with all requirements of the Code, and that they will not take any action which will, or fail to take any action (including, without limitation, filing the required information report with the Internal Revenue Service) which failure will, cause interest on the Series 2026 Bonds or Series 2026 Notes to become includable in the gross income of the Holder thereof for federal income tax purposes pursuant to the provisions of the Code. Without limiting the generality of the foregoing, the Board of Trustees represents and covenants that:

(1) All property financed or refinanced by the net proceeds of the Series 2026 Bonds or the Series 2026 Notes will be owned by the University in accordance with the rules governing the ownership of property for federal income tax purposes.

(2) The Board of Trustees shall not permit the proceeds of a Series of the Series 2026 Bonds, the Series 2026 Notes or any facility funded in whole or in part with the proceeds of the Series 2026 Bonds or the Series 2026 Notes to be used in any manner that would result in (a) 10% or more of such proceeds being considered as having been used directly or indirectly in any trade or business carried on by any natural person or in any activity carried on by a person other than a natural person other than a governmental unit as provided in Section 141(b) of the Code, or (b) 5% or more of such proceeds 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.

(3) The University is not and will not become a party to any contracts with any person for the use or management of any facility financed or refinanced with the proceeds of the Series 2026 Bonds or the Series 2026 Notes that do not conform to the guidelines set forth in Revenue Procedure 2017-13 (or the successor provisions of any subsequent official guidance).

(4) The University will not sell or lease the Project or any leasehold interest in the Project site, or any property the acquisition of which was funded in whole or in part, with proceeds from the sale of the Series 2026 Bonds or the Series 2026 Notes to any person unless it obtains the opinion of Bond Counsel that such lease or sale will not affect the tax exemption of the Series 2026 Bonds or the Series 2026 Notes.

(5) The Series 2026 Bonds or the Series 2026 Notes will not be federally guaranteed within the meaning of Section 149(b) of the Code. The University shall not enter into any leases or sales or service contracts with any federal government agency and will not enter into any such leases or contracts unless it obtains the opinion of Bond Counsel that such action will not affect the tax exemption of the Series 2026 Bonds or the Series 2026 Notes.

Section 10.02 Rebate.

(A) In addition to the covenants contained in Section 10.01 hereof, the Board of Trustees covenants that it will comply with the provisions of Section 148(f) of the Code pertaining to the rebate of certain investment earnings on the proceeds of the Series 2026 Bonds or the Series 2026 Notes to the United States government. In this connection, the Board of Trustees covenants to compute, on or before the dates

required of them in Section 148(f) of the Code, the rebatable amounts, if any, pertaining to the Series 2026 Bonds or the Series 2026 Notes and to establish a rebate fund pursuant to the rebate certificate referred to in Paragraph (B) of this Section wherein shall be deposited in a timely fashion all amounts required under said Section 148(f) with respect to the Series 2026 Bonds or the Series 2026 Notes and to pay to the United States government from the rebate fund in the manner and the amounts prescribed in Section 148(f) of the Code.

(B) In order to comply with the requirements of Paragraph (A) of this Section, the Board of Trustees further agrees to execute a rebate certificate on or before the delivery of a Series of the Series 2026 Bonds or the Series 2026 Notes pursuant to which the rebate fund will be established, and from which rebate fund the University will pay the necessary amounts to the United States government.

(C) Notwithstanding anything in this Section to the contrary, the University will not be obligated to comply with any or all of the provisions set forth above in this Section if the University and the Trustee shall receive a written opinion of Bond Counsel to the effect that such non-compliance will not adversely affect the federal tax-exempt status of the Series 2026 Bonds or the Series 2026 Notes.

(D) Notwithstanding the prior provisions of this Section, the Chief Financial Officer, if applicable, is hereby authorized to make the necessary findings and elections to enable the University to proceed under the spending exceptions contained in Section 148(f)(4)(C) of the Code and Section 1.148-7 of the regulations promulgated under the Code, should he determine in his discretion the same to be in the best interests of the University.

Section 10.03 Reimbursement Declaration.

The University hereby declares its intention to reimburse itself for a portion of the costs of the Project with the proceeds of Series 2026 Bonds. To that end, the Board of Trustees determines and declares as follows:

(A) no funds from any sources other than the Series 2026 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 2026 Bonds;

(B) the University reasonably expects that all or a portion of the expenditures incurred for the Project and the issuance of the Series 2026 Bonds will be paid prior to the issuance of the Series 2026 Bonds;

(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 Series 2026 Bonds from the proceeds of the Series 2026 Bonds, 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 Series 2026 Bonds will be for costs incurred in connection with the issuance of the Series 2026 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

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

Section 10.04 Taxable Series.

In accordance with Section 4.19 of the Bond Resolution, the Chief Financial Officer is hereby authorized to designate any Series of the Series 2026 Bonds as a Taxable Series. In such event, the above Sections 10.01 and 10.02 shall not apply to such Taxable Series.

* * *

ARTICLE XI

MISCELLANEOUS

Section 11.01 Combining of Series 2026 Bonds and Previously Authorized Bonds.

Notwithstanding anything contained in this 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 2026 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 2026 Bonds may be sold with other Bonds as a single Series of Bonds.

Section 11.02 Severability.

If any one or more of the covenants or agreements provided in this Series Resolution on the part of the Board of Trustees, the Chief Financial Officer, 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 Series Resolution.

Section 11.03 Table of Contents and Section Headings Not Controlling.

The Table of Contents and the Headings of the several Articles and Sections of this 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 Series Resolution.

Section 11.04 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 11.05 Series 2026 Bonds Issued as Multiple Series.

In the event Series 2026 Bonds are sold in more than one Series, separate funds and accounts shall be created and maintained for each Series of Series 2026 Bonds and appropriate numeric or alphanumeric designations shall be established so as to appropriately account for the funds established pursuant to Articles V and VI hereof, as contemplated by Article VII of the Bond Resolution. Notwithstanding anything in the Series Resolution to the contrary, in the event that Series 2026 Bonds are sold in more than one Series, all references in this Series Resolution to Series 2026 Bonds shall, as the context may require, be read as referring to the applicable Series of Series 2026 Bonds.

* * *

DONE IN MEETING DULY ASSEMBLED this 24th day of April 2026.

UNIVERSITY OF SOUTH CAROLINA

(SEAL)

Chairman, Board of Trustees

Attest:

Secretary, Board of Trustees

EXHIBIT A

(FORM OF BOND)

UNIVERSITY OF SOUTH CAROLINA
HIGHER EDUCATION REVENUE BOND
SERIES 2026

No. _____

Interest Rate	Maturity Date	Original Issue Date	CUSIP

Registered Holder:

Principal Amount: _____ DOLLARS ($_____)

The UNIVERSITY OF SOUTH CAROLINA (the "University"), acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder named above, or registered assigns, the Principal Amount stated above, on the Maturity Date set forth above, unless this bond be subject to redemption and shall have been redeemed prior thereto as hereinafter provided, upon presentation and surrender of this bond at the Corporate Trust Office of _____ in the City of _____, State of _____ (the "Paying Agent"), and to pay interest on such principal sum at the Interest Rate set forth above (calculated on the basis of a 360-day year of twelve 30-day months), until the obligation of the University with respect to the payment of such principal sum shall be discharged.

This bond bears interest from the _____ 1 or the _____ 1 to which interest has been paid next preceding the authentication date hereof, unless the authentication date hereof is a _____ 1 or a _____ 1, in which event this bond will bear interest from the earlier of such authentication date or the date to which interest has last been paid; provided that if the authentication date hereof precedes _____ 1, 20__, or if the University shall fail to pay interest on _____ 1, 20__, then this bond will bear interest from _____ 1, 20__. Interest on this bond is payable on _____ 1 and _____ 1 of each year beginning _____ 1, 20__. The interest so payable on any _____ 1 or _____ 1 will be paid to the person in whose name this bond is registered at the close of business on the 15th day of the _____ or _____ as the case may be next preceding such _____ 1 or _____ 1.

Interest hereon is payable by check or draft mailed at the times provided herein from the Corporate Trust Office of the Paying Agent to the person in whose name this bond is registered on the Record Date at the address shown on the registration books kept by _____, in the City of _____, State of _____ (the "Registrar"). The principal of, redemption premium, if any, and interest on this bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This bond is one of an issue of bonds in the aggregate principal amount of _____ Dollars ($_____) (the "Series 2026 Bonds") of like tenor, except as to numbering, rate of interest, date of maturity and redemption provisions, issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina (the "State"), and Title 59, Chapter 147 of the Code of Laws of South Carolina 1976, as the same may be further amended from time to time (collectively, the "Enabling Act"), and a resolution entitled "AN AMENDATORY AND RESTATED RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF UNIVERSITY OF SOUTH CAROLINA REVENUE BONDS AND OTHER MATTERS RELATING THERETO," duly adopted by the Board of Trustees of the University (the "Board of Trustees") on June 21, 1996 (the "Bond Resolution"), and a resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF HIGHER EDUCATION REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING $84,000,000; AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO" duly adopted by the Board of Trustees on April 24, 2026 (the "Series 2026 Resolution," and together with the Bond Resolution, the "Resolution"), for the purpose of (i) paying the costs of, and reimbursing the University for capital expenditures previously made in connection with, the Project, including capitalized interest on the Series 2026 Bonds, if any; (ii) paying the costs of issuance of the Series 2026 Bonds, including any credit enhancement therefor, if any; and (iii) paying the principal of and interest on any Series 2026 Notes whether at maturity or early redemption.

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 the State of South Carolina.

So long as Cede & Co., as nominee of The Depository Trust Company, is the Registered Holder of this bond, references in this bond to the Bondholders or Registered Holders shall mean Cede & Co. and shall not mean the beneficial owners.

Both the principal of and interest on this bond, as the same shall become due, are payable solely from and are secured by a pledge of the Net Revenues and Additional Funds. Such pledge of Net Revenues and Additional Funds is on a parity in all respects with each pledge previously given by the University to secure certain outstanding bonds issued pursuant to the Bond Resolution (the "Outstanding Bonds").

The Bond Resolution authorizes the issuance of additional bonds ("Additional Bonds") on a parity with the Series 2026 Bonds and the Outstanding Bonds which, when issued in accordance with the provisions of the Bond Resolution, will rank equally and be on a parity therewith (the Series 2026 Bonds, the Outstanding Bonds and any Additional Bonds, collectively, the "Bonds"). In addition, upon certain circumstances prescribed in the Bond Resolution, the University has issued, and may hereafter issue, additional obligations secured by any of the Additional Funds, which pledge may be on a parity with the pledge of Additional Funds given to secure the Bonds.

THIS BOND SHALL NOT IN ANY EVENT CONSTITUTE AN INDEBTEDNESS OF THE STATE WITHIN THE MEANING OF ANY PROVISION, LIMITATION OR RESTRICTION OF THE CONSTITUTION OR STATUTES OF THE STATE. THE FAITH AND CREDIT OF THE STATE ARE NOT PLEDGED FOR THE PAYMENT OF PRINCIPAL OR INTEREST ON THE SERIES 2026 BONDS. THE UNIVERSITY IS NOT OBLIGATED TO PAY THIS SERIES 2026 BOND, OR THE INTEREST HEREON, SAVE AND EXCEPT FROM NET REVENUES AND ADDITIONAL FUNDS.

No member of the Board of Trustees, nor any person required by the provisions of the Resolution to sign the Series 2026 Bonds, shall be liable thereon.

The University has covenanted in the Bond Resolution to prescribe and maintain rates and charges and thereafter collect charges in accordance with such rates for the Facilities or the use thereof which are reasonably expected to yield annual Net Revenues in the current Fiscal Year which, together with any Subsidies for operation of the Facilities or debt service of the Bonds which are otherwise excluded from the definition of "Net Revenues", equal to at least 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. For each Fiscal Year, the Board of Trustees shall adopt an Annual Budget including amended rate schedules for such Fiscal Year which shall set forth in reasonable detail the estimated revenues and operating expenses of the Facilities and any Subsidies 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 Maintenance Reserve 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. The University further covenants and agrees that, at any time after it secures Bonds by a pledge of any Pledged Fees, it will at all times prescribe and maintain and thereafter collect fees, rates and charges such that Net Revenues, Pledged Fees budgeted for the payment of operation and maintenance costs of the Facilities or debt service on Bonds or Parity Bonds, and the receipts of any Additional Parity Bond Sources intended to pay debt service on Parity Bonds shall equal at least 100% of the Combined Annual Principal and Interest Requirement for all Bonds Outstanding and all Parity Bonds in each Fiscal Year.

The Series 2026 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 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 Series 2026 Bond or Series 2026 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 this bond, 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.

The Series 2026 Bonds are not callable for redemption prior to _____ 1, ____.

The Series 2026 Bonds maturing after _____ 1, ____ may be redeemed prior to their respective maturities at the option of the University on and after _____ 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 2026 Bonds maturing on [_____ 1, 20__] are subject to mandatory sinking fund redemption commencing on the dates shown in the following tables and will be redeemed (to the extent not previously redeemed), at 100% of the principal amount thereof, plus interest accrued thereon to the redemption date, on [_____] 1 of each of the following years in the respective principal amounts specified below:

Series 2026 Term Bond
Due _____ 1, 20__

_____ 1 of the Year	Amount

*Final Maturity

The amount of the mandatory sinking fund redemptions prescribed above shall be reduced to the extent Series 2026 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 2026 Bonds are to be redeemed, the particular Series 2026 Bonds or portions of Series 2026 Bonds to be redeemed will be selected by the Trustee Series 2026 Bonds in 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. So long Series 2026 Bonds are held in book-entry form with The Depository Trust Company, the rules of such entity shall control such manner of selection to the extent applicable.

If any of the Series 2026 Bonds, or portions thereof, are called for redemption, the Registrar will give notice to the Registered Holders of any such Series 2026 Bonds to be redeemed, in the name of the University, of the redemption of such Series 2026 Bonds, or portions thereof, which notice will specify the Series 2026 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 2026 Bonds are to be redeemed, the numbers of such Series 2026 Bonds so to be redeemed, and, in the case of Series 2026 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 30 days but no more than 60 days prior to the date fixed for redemption to any Paying Agent or Agents and the Registered Holder of each Series 2026 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 Registered Holder of any Series 2026 Bond, shall not affect the validity of the proceedings for the redemption of any other Series 2026 Bond. Provided funds for their redemption

are on deposit with the Trustee or any Paying Agent, all Series 2026 Bonds so called for redemption will cease to bear interest on the specified redemption date and shall no longer be deemed to be Outstanding. Such notice may be conditional upon any event or occurrence set forth in such notice, and the obligation of the Registrar to provide the notice of redemption shall not be conditioned on the prior deposit of the amount due at the redemption date.

This bond and the interest hereon are exempt from all State, county, municipal, school taxes and franchise and license fees and all other taxes or assessments, except estate or transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws 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 the Series 2026 Bonds, together with all other indebtedness of the University, does not exceed any limit prescribed by such Constitution or laws.

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 manual or facsimile signature of the Chairman of the Board of Trustees and the Chief Financial Officer of the University, its corporate seal to be impressed hereon, and the same to be attested by the manual signature of the Secretary of the Board of Trustees.

UNIVERSITY OF SOUTH CAROLINA

(SEAL)

_____
Chairman, Board of Trustees

_____
Chief Financial Officer

Attest:

By:_____
Secretary, Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2026 Bonds of the issue described in the within mentioned Resolution.

_____
REGISTRAR

By: _____
Authorized Officer

Authentication Date: _____

PROVISIONS FOR REGISTRATION

The following abbreviations, when used in the inscription on the face of the within Series 2026 Bond, 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) under Uniform Gifts to Minors Act
JT TEN -as joint tenants with right of survivorship and not as tenants in common	_____ (State)

Additional abbreviations may also be used though not in list above.

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

_____

(Please print or typewrite Name, Social Security or Taxpayer Identification Number and address of Transferee)

the within Series 2026 Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the within Series 2026 Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guarantee:

_____	_____
Signature(s) must be guaranteed by a member firm of the New York stock Exchange or a commercial bank or trust company	NOTICE: The signature to this assignment must correspond with the name of the registered holder as it appear upon the face of the within Series 2026 Bond in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "Disclosure Undertaking") is executed and delivered this __ day of _____, ____, by the University of South Carolina (the "Issuer") in connection with the issuance of the Issuer's $_____ Higher Education Revenue Bonds, Series 2026 (the "Series 2026 Bonds"). The Series 2026 Bonds are being issued pursuant to an Amendatory and Restated Bond Resolution adopted by the Board of Trustees (the "Board of Trustees") of the Issuer on June 21, 1996 (as amended, the "Resolution"), and a resolution adopted by the Board of Trustees on September 26, 2026 (the "Series Resolution" and, together with the Resolution, the "Bond Resolution"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners of the Series 2026 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 Bond 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 Issuer 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 Series 2026 Bonds (including persons holding Series 2026 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2026 Bonds for federal income tax purposes.

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

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

"Financial Obligation" as used in this Disclosure Undertaking is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

"Official Statement" means the Official Statement dated _____ __, ____, prepared in connection with the Series 2026 Bonds.

"Participating Underwriter" means any of the original underwriters of the Series 2026 Bonds required to comply with the Rule in connection with the offering of the Series 2026 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 Issuer shall, not later than February 1 of each year, commencing with the report for the fiscal year ended June 30, ____, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than 15 business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent, if other than the Issuer. 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 Issuer may be submitted separately from the balance 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 Issuer'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 Issuer; (v) the name and date of the document; and (vi) contact information for the Dissemination Agent or the Issuer's submitter.

(c) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a) above, the Issuer 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 Issuer 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 Issuer 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 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. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), 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) Updates of the financial information and operating data as of a date not earlier than the end of the preceding fiscal year, to the extent such information is not included in the Issuer's audited financial statements filed pursuant to subparagraph (a) above, of the general type included in the tables set forth under the following headings in the Official Statement in such format as the Issuer deems appropriate: [The below list is subject to adjustment]

(i) THE FACILITIES – Housing Facilities – *Columbia Campus – Occupancy Rates* - Single Student Residence Hall Occupancy Rates;
(ii) THE FACILITIES – Summary of Facilities Revenues and Expenses;
(iii) THE FACILITIES – Summary of Changes in Facilities Fund Balance (Net Position);
(iv) THE FACILITIES – Additional Funds;
(v) THE FACILITIES – Debt Service Requirements;
(vi) THE FACILITIES – Historical Net Revenues of the Facilities and Additional Funds;
(vii) DESCRIPTION OF THE UNIVERSITY – Enrollment; and
(viii) FINANCIAL MATTERS – Summary of Statement of Revenues, Expenses and Changes in Net Position.

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 Issuer, which have been made available to the public on EMMA. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events. (a) The Issuer shall give or cause to be given notice of the occurrence of any of the following events with respect to the Series 2026 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 Series 2026 Bonds, or other material events affecting the tax status of the Series 2026 Bonds;

(vii) modifications to rights of Bond holders, if material;

(viii) Bond calls, if material and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Series 2026 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 Series 2026 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 Series 2026 Bonds shall have been paid in full or the Series 2026 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 Series 2026 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 Issuer shall electronically file notice of such defeasance with the MSRB, and such notice shall state whether the Series 2026 Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist in 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 Issuer pursuant to this Disclosure Undertaking.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer 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, or change in the identity, nature or status of an obligated person with respect to the Series 2026 Bonds, or the type of business conducted;

(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 Series 2026 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 Series 2026 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the Issuer 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 Issuer. 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 Issuer 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 Issuer 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 Issuer 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 Issuer to comply with any provision of this Disclosure Undertaking, any holder or Beneficial Owner of the Series 2026 Bonds may take such actions as may be necessary and appropriate, including seeking *mandamus* or specific performance by court order, to cause the Issuer 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 Bond Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer 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 Issuer, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Series 2026 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.

UNIVERSITY OF SOUTH CAROLINA

By: _____
Its: _____

EXHIBIT A

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

Issuer: University of South Carolina

Obligations: $_____ Higher Education Revenue Bonds, Series 2026 (the "Series 2026 Bonds")

Date of Issuance: _____ __, ____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Series 2026 Bonds as required by the Bond Resolution adopted on September 26, 2026. The Issuer anticipates that the Annual Report will be filed by_____.

UNIVERSITY OF SOUTH CAROLINA

By: _____
Its: _____

Date: _____, _____

EXHIBIT C

[FORM OF NOTE]

UNIVERSITY OF SOUTH CAROLINA
HIGHER EDUCATION REVENUE
BOND ANTICIPATION NOTE
SERIES 2026

No. _____
CUSIP_____

REGISTERED HOLDER:_____

PRINCIPAL SUM: _____ $_____

KNOW ALL MEN BY THESE PRESENTS, that the UNIVERSITY OF 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 2026 Note, which is one of an issue of $_____ aggregate principal amount of Higher Education Revenue Bond Anticipation Notes, Series 2026, of the University (the "Series 2026 Notes"), is being issued pursuant to and in accordance with Article X, Section 13 of the Constitution of the State of South Carolina, 1895, as amended, 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 the same may be further amended from time to time (the "Bond Enabling Act"); a resolution entitled "AN AMENDATORY AND RESTATED RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF UNIVERSITY OF SOUTH CAROLINA REVENUE BONDS AND OTHER MATTERS RELATING THERETO," duly adopted by the Board of Trustees of the University (the "Board of Trustees") on June 21, 1996 (the "Bond Resolution"), and a resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF HIGHER EDUCATION REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING $84,000,000; AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO" duly adopted by the Board of Trustees on April 24, 2026 (the "Series Resolution"), and together with the Bond Resolution, the "Resolution"). This Series 2026 Note is payable, both as to principal and interest, from the proceeds of the Series 2026 Bonds authorized to be issued under the Resolution, or if said Series 2026 Bonds are not issued prior to the maturity of the Series 2026 Notes, from the sale, issuance and delivery of an issue of renewal or refunding bond anticipation notes.

This Series 2026 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 2026 Note, when due, shall be payable upon presentation and surrender of this Series 2026 Note at the principal office of _____, in the City of _____, State of _____, as Paying Agent.

This Series 2026 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 2026 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 2026 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 2026 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 2026 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 2026 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 2026 Note against the University. Notwithstanding the foregoing, nothing herein shall limit the rights of a person having a beneficial interest in this Series 2026 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 2026 Note.

[This Series 2026 Note is not subject to redemption prior to maturity.]

This Series 2026 Note is a special obligation of the University and there are hereby pledged to the payment of this Series 2026 Note, both principal and interest, when due, the proceeds of the Series 2026 Bonds or if the Series 2026 Bonds are not issued prior to the maturity of the Series 2026 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 2026 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 2026 Note. The Board of Trustees agree that the University will issue no further bond anticipation notes in anticipation of the issuance of the Series 2026 Bonds.

This Series 2026 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 2026 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 2026 Note, do exist, have happened, and have been performed in regular and due time, form, and manner; that the amount of this Series 2026 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 2026 Bonds in anticipation of which this Series 2026 Note is issued.

IN WITNESS WHEREOF, the University has caused this Series 2026 Note to be executed in its name by the manual or facsimile signature of the Chairman of the Board of Trustees and the Chief Financial Officer of the University, under the Seal of the University impressed hereon, and attested by the manual signature of the Secretary of the Board of Trustees this ___ day of _____ 2026.

UNIVERSITY OF SOUTH CAROLINA

(SEAL)

_____
Chairman, Board of Trustees

_____
Chief Financial Officer

Attest:

By:_____
Secretary, Board of Trustees

CERTIFICATE OF AUTHENTICATION

This Series 2026 Note is one of the Series 2026 Notes of the issue described in the within-mentioned Resolution.

_____
REGISTRAR

By:_____
Authorized Officer

Date of Authentication: _____, 20__

PROVISIONS FOR REGISTRATION

The following abbreviations, when used in the inscription on the face of the within Series 2026 Note, 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) under Uniform Gifts to Minors Act
JT TEN -as joint tenants with right of survivorship and not as tenants in common	_____ (State)

Additional abbreviations may also be used though not in list above.

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

_____

(Please print or typewrite Name, Social Security or Taxpayer Identification Number and address of Transferee)

the within Series 2026 Note and does hereby irrevocably constitute and appoint _____ attorney to transfer the within Series 2026 Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guarantee:

_____	_____
Signature(s) must be guaranteed by a member firm of the New York stock Exchange or a commercial bank or trust company	NOTICE: The signature to this assignment must correspond with the name of the registered holder as it appear upon the face of the within Series 2026 Note in every particular, without alteration or enlargement or any change whatever.

RESOLUTION

CONFIRMING THE DESIGNATION OF CERTAIN FACILITIES OF THE UNIVERSITY OF SOUTH CAROLINA AS ATHLETIC FACILITIES FOR PURPOSES OF ITS ATHLETIC FACILTIES BOND RESOLUTION; AND OTHER MATTERS RELATING THERETO.

RESOLUTION

Adopted by the Executive Committee April 24, 2026
Adopted by the Board of Trustees April 24, 2026

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

Section 1.01 Findings.

As an incident to the adoption of this Resolution, the Board of Trustees of the University of South Carolina (the "Board of Trustees"), the governing body of the University of South Carolina (the "University"), finds, as a fact, that each of the statements hereinafter set forth in this Article I is in all respects true and correct.

(A) The Board of Trustees has made general provision for the issuance from time to time of Athletic Facilities Revenue Bonds of the University (the "Bonds") through the means of a resolution adopted October 19, 2001, entitled; "A Resolution Providing For The Issuance And Sale Of Athletic Facilities Revenue Bonds Of The University Of 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 acquisition, construction, reconstruction, renovation and improvement of the Athletic Facilities, to refund bonds and notes payable from the Net Revenues and gross receipts from the imposition of the Admissions Fee and the Special Student Fee, to fund the Debt Service Reserve Fund, if any, established for the benefit of the holders of Bonds, and to pay costs of issuance.

(C) Pursuant to a Series Resolution adopted by the Board of Trustees on May 22, 2025 (the "Series 2026 Resolution"), the Board of Trustees authorized the issuance of not exceeding $350,000,000 principal amount of its Bonds (the "Series 2026 Bonds") to fund all or a portion of the construction, renovation and equipping of portions of the Williams-Brice Football Stadium (the "Project"), and designated the Project as intercollegiate athletic facilities of the Columbia campus of the University, with the intention that the Project would constitute Athletic Facilities under the Bond Resolution.

(D) The Board of Trustees has determined that a current need exists to acquire, construct, reconstruct, improve, and equip certain multi-use facilities that blend various aspects of conference, inn, dining hall, student recreation and entertainment, and other nondegree educational facilities in one or more spaces or structures, which may be integrated with or proximate to the Williams-Brice Football Stadium (the "Multi-use Project"). The Multi-use Project is currently planned to consist of two components: (i) a multi-use student facility ("Student Facility") integrated into the North Side of the Williams-Brice Football Stadium and (ii) a multi-use premium entertainment facility (the "Premium Entertainment Facility") adjacent to the Williams-Brice Football Stadium.

(E) The Student Facility is intended to support a wide range of University community needs, including student meeting and collaboration spaces, areas for student organization activities, study and lounge environments, and flexible rooms for programming, events, and academic-related (but nondegree) engagement, and may also accommodate student services, leadership development initiatives, and other activities that enhance campus life and student involvement. The Premium Entertainment Facility is designed to provide flexible space for University advancement, development, and fundraising activities, including donor engagement events, alumni gatherings, corporate partnerships, and special event

programming, and may also support revenue-generating opportunities through hosting events, conferences, and entertainment functions that align with the University's mission and strategic goals. The Multi-use Project is intended to primarily serve the broader University community rather than the University's varsity athletic teams; provided, however, that nothing shall prohibit incidental use of the Multi-use Project by the University's Athletic Department by agreement.

(F) On this date, the Board of Trustees has authorized the issuance of not exceeding $84,000,000 principal amount of its Higher Education Revenue Bonds or Notes (collectively, the "Series 2026 Higher Education Revenue Bonds") pursuant to a resolution adopted on June 21, 1996, entitled "An Amendatory And Restated Resolution Providing For The Issuance And Sale Of University Of South Carolina Revenue Bonds And Other Matters Relating Thereto," as amended and supplemented, including as supplemented particularly by a series resolution adopted on the date hereof (as so amended and supplemented, the "Higher Education Revenue Bond Resolution"), in order to finance the costs of the Multi-use Project. It is further intended that the Multi-use Project would constitute Facilities under the Higher Education Revenue Bond Resolution upon the issuance of the Series 2026 Higher Education Revenue Bonds therefor.

[End of Article I]

ARTICLE II

CONFIRMATION OF DESIGNATION OF PROJECT AS ATHLETIC FACILITIES

Section 2.01 Confirmation of Designation of Project as Athletic Facilities Under Bond Resolution.

(A) As contemplated by Section 1.01(C), the Board of Trustees has authorized the issuance of the Series 2026 Bonds to finance all or a portion of the construction, renovation and equipping of portions of the Williams-Brice Football Stadium, which is defined in the Bond Resolution as the "Project," and has designated the Project as intercollegiate athletic facilities of the Columbia campus of the University which constitutes Athletic Facilities under the Bond Resolution.

(B) As contemplated by Section 1.01(F), the Board of Trustees has authorized the issuance of the Series 2026 Higher Education Revenue Bonds to finance the Multi-use Project and that the Multi-use Project shall constitute Facilities for purposes of the Higher Education Revenue Bond Resolution, upon the issuance of the Series 2026 Higher Education Revenue Bonds thereof.

(C) Based on the foregoing, the Board of Trustees hereby confirms that, upon the issuance of the Series 2026 Higher Education Revenue Bonds to finance the Multi-use Project, (1) the Multi-use Project is not part of the Project, as defined in the Bond Resolution, and therefore is not designated by the Board of Trustees as Athletic Facilities under the Bond Resolution and (2) only the Project (excluding the Multi-use Project) shall be considered as Athletic Facilities under the Bond Resolution.

(D) Nothing herein shall otherwise modify or limit the provisions of the Bond Resolution, including the University's imposition, collection or use of the Admission Fee and the Special Student Fee to secure the payment of the Bonds.

Section 2.02 Severability.

If any one or more of the covenants or agreements provided in this Resolution or the Bond 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 Resolution or the Bond Resolution.

Section 2.03 Repealing Clauses.

All resolutions, or parts thereof, inconsistent herewith, be and the same are hereby rescinded and repealed to the extent of such inconsistencies.

[End of Article II]

DONE IN MEETING DULY ASSEMBLED this 24th day of April 2026.

(SEAL)

Chairman, Board of Trustees
of the University of South Carolina

Attest:

Secretary, Board of Trustees
of the University of South Carolina

A RESOLUTION

APPROVING THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF HIGHER EDUCATION REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING $84,000,000; 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 the University of South Carolina (the "Board of Trustees"), the governing body of the University of South Carolina (the "University"), is authorized by Title 59, Chapter 147 of the Code of Laws of South Carolina 1976, as the same may be further amended from time to time (the "Enabling Act") to make provision for the issuance of higher education revenue bonds ("Higher Education Revenue Bonds") for the purpose of financing or refinancing in whole or in part the costs of 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, bookstore and other University operated stores, 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 any other facilities that are auxiliary to any of the foregoing excluding, however, athletic department projects that primarily serve varsity athletic teams of the University.

WHEREAS, on June 21, 1996, the Board of Trustees adopted a resolution entitled "AN AMENDATORY AND RESTATED RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF UNIVERSITY OF SOUTH CAROLINA REVENUE BONDS 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 April 24, 2026, 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 THE UNIVERSITY OF SOUTH CAROLINA IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING $84,000,000; AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO" (the "2026 Series Resolution") authorizing the issuance of Higher Education Revenue Bonds, Series 2026 (the "Series 2026 Bonds") to defray the costs to acquire, construct, reconstruct, improve, and equip certain multiuse facilities that blend various aspects of conference, inn, dining hall, student recreation and entertainment, and other nondegree educational facilities in one or

more spaces or structures, which may be integrated with or proximate to the University's Williams-Brice Stadium (the "Project"). The 2026 Series Resolution designates the Project as part of the Facilities for the purposes of the Bond Resolution upon the issuance of the Series 2026 Bonds. On April 24, 2026, the Board of Trustees also adopted a resolution (the "2026 Designation Resolution") pursuant to which the Board of Trustees confirms that the Project, upon the issuance of the Series 2026 Bonds, is not designated as Athletic Facilities under a resolution adopted by the Board of Trustees on October 19, 2001 governing the issuance of athletic facilities revenue bonds.

WHEREAS, the 2026 Series Resolution authorized the use of proceeds of the Series 2026 Bonds for the purposes of (i) paying the costs of, and reimbursing the University for capital expenditures previously made in connection with, the Project, including capitalized interest on the Series 2026 Bonds, if any; (ii) paying the costs of issuance of the Series 2026 Bonds, including the premium on any Municipal Bond Insurance Policy or debt service reserve fund funding substitute; and (iii) paying the principal of and interest on any Series 2026 Notes whether at maturity or early redemption.

WHEREAS, the 2026 Series Resolution also authorizes the issuance of notes (the "Series 2026 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 2026 Bonds for the purpose for which the Series 2026 Bonds may be issued, and further authorizes the renewal or refunding of Series 2026 Notes until such time as officials of the University and the State Treasurer determine to issue the Series 2026 Bonds. The proceeds of any Series 2026 Notes issued pursuant to the 2026 Series Resolution shall be applied for the purpose for which proceeds of the Series 2026 Bonds may be applied, to provide for the renewal or refunding of any Series 2026 Notes, or to provide for the costs of issuance thereof, or any combination thereof. Article IX of the 2026 Series Resolution provides that the Chief Financial Officer and the State Treasurer must determine that the issuance of Series 2026 Notes, including any refunding or renewal Series 2026 Notes, is in the best interest of the University prior to the issuance of Series 2026 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 2026 Bonds and the Series 2026 Notes, and other matters related thereto, as set forth in the 2026 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 Findings.

The Bond Resolution, the 2026 Series Resolution, and the 2026 Designation Resolution, each in the form adopted by the Board of Trustees, have been presented to the Authority.

Section 1.02 Defined Terms.

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 2026 Series Resolution.

ARTICLE II

AUTHORIZATION FOR THE ISSUANCE AND SALE OF THE SERIES 2026 BONDS AND THE SERIES 2026 NOTES

Section 2.01 Authorization for Series 2026 Bonds.

The Authority hereby approves and authorizes the issuance and sale of the Series 2026 Bonds in an aggregate principal amount not to exceed $84,000,000 at public or private sale in accordance with and subject to the terms of the Bond Resolution and the 2026 Series Resolution and consistent with the 2026 Designation Resolution, including a negotiated sale for public reoffering as authorized in Article VII of the 2026 Series Resolution.

Section 2.02 Authorization for Series 2026 Notes.

The Authority hereby approves and authorizes the issuance and sale of the Series 2026 Notes in an aggregate principal amount not to exceed $84,000,000 at public or private sale in accordance with and subject to the terms of the 2026 Series Resolution, including a negotiated sale for public reoffering as authorized by Article IX 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 2026 Notes in anticipation of the Series 2026 Bonds. This approval to issue and sell Series 2026 Notes includes the approval to issue refunding or renewal Series 2026 Notes without further action of the Authority, as described at Section 11-17-60 of the Note Enabling Act.

Section 2.03 Effective Date.

On the basis of the foregoing and after due consideration of the facts above recited and other matters appurtenant thereto, this Resolution has been adopted.

Dated: August 19, 2026

POPE FLYNN
GROUP

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

_____, 20__

Board of Trustees of the University of South Carolina
Columbia, South Carolina

Re: $_____ University of South Carolina Higher Education Revenue Bonds, Series 20__

Ladies and Gentlemen:

We have acted as bond counsel to the University of South Carolina (the "University") in connection with the issuance by the University of its $_____ University of South Carolina Higher Education Revenue Bonds, Series 20__ (the "Series 20__ Bonds"). The Series 20__ 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 June 21, 1996 (the "Bond Resolution"); a series resolution adopted by the Board of Trustees on April 24, 2026 (the "2026 Series Resolution," and together with the Bond Resolution, the "Resolution"); an approving resolution adopted by the State Fiscal Accountability Authority on June 16, 2026; 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 the same may be further amended from time to time (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 20__ 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 20__ 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 20__ 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 20__ 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 Additional Funds as provided in the Resolution. The purposes to which the proceeds of the Series 20__ Bonds will be applied are authorized by the Enabling Act. The Series 20__ 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 20__ Bonds (i) is excluded from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code. Such interest is, however, taken into account in determining the annual adjusted financial statement income of certain applicable corporations (as defined in Section 59(k) of the Code) for the purpose of determining the application of the 15-percent alternative minimum tax imposed on the adjusted financial statement income of such corporations.

6. Under existing law, both the Series 20__ 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 20__ 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 20__ Bonds and the enforceability of the Series 20__ 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 20__ Bonds, or regarding the perfection or priority of the lien on the Net Revenues and 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 20__ 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

POPE FLYNN
GROUP

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

August 19, 2026

South Carolina State Fiscal Accountability Authority
Columbia, South Carolina

Re: Not Exceeding $84,000,000 University of South Carolina Higher Education Revenue Bonds

Ladies and Gentlemen:

We are acting as bond counsel in connection with the proposed issuance by the University of South Carolina (the "Issuer") of the above-referenced bonds (the "Bonds"). At your request, we are delivering this opinion in connection with the Issuer's petition to the South Carolina State Fiscal Accountability Authority (the "SFAA") dated July 13, 2026 (the "Petition"), requesting approval of 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 Article X, Section 13(9) of the Constitution of the State of South Carolina, 1895, as amended, and Title 59, Chapter 147 of the Code of Laws of South Carolina 1976, as amended (the "Act").

In that capacity, we have examined originals or copies of the Petition, the Bond Resolution duly adopted on June 21, 1996, by the Board of Trustees of the Issuer (the "Board of Trustees"), a Series Resolution duly adopted by the Board of Trustees on April 24, 2026 (the June 21, 1996 resolution together with the April 24, 2026 resolution, the "Bond Resolution"), and a proposed resolution of the SFAA in the form submitted as part of the Petition (the "SFAA Resolution") as well as such other records and documents as we deem necessary or appropriate in rendering the opinions set forth herein (the "Other Records" together with the Bond Resolution, the "Transaction Documents").

In rendering the opinions expressed below, we have relied only upon our examination of the Transaction Documents. We have not made or undertaken to make any investigation as to any factual matters or as to the accuracy or completeness of any representation, warranty, data, or any other information, whether written or oral, that may have been made by or on behalf of the Issuer, the SFAA, or any other party relating to the Bonds, and have assumed the correctness of any matters stated as fact.

In giving the opinions hereinafter expressed, we do not purport to be passing on or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of South Carolina, and the opinions are limited to the federal laws of the United States of America and the laws of the State of South Carolina.

Based on our examination and assumptions stated herein and subject to the stated qualifications and limitations, we are of the opinion on the date hereof that, under existing law:

1. The Transaction Documents contain the facts, information, and findings necessary to support the findings made by the proposed SFAA Resolution.

2. The Transactions Documents contain the facts, information, and findings necessary for the SFAA to approve the proposed SFAA Resolution; provided, however, we express no opinion about the SFAA's performance of its (i) duty of care, loyalty, good faith, or oversight, (ii) business judgement, (iii) expression of public policy, or (iv) undertaking as it relates to the evaluation of the creditworthiness or the ability of the Issuer to pay bondholders of the Bonds, if any.

3. The Transaction Documents comply with the requirements of the Act related to the SFAA approval.

4. If adopted, the SFAA Resolution complies with the applicable requirements of the Act relating to SFAA approval necessary for the issuance of the Bonds.

Except as set forth herein, 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 used, quoted, or relied on by any other person or entity for any other purpose, without our prior written consent in each instance. We disclaim any obligation to update the opinion expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

Pope Flynn, LLC

STATE FISCAL ACCOUNTABILITY AUTHORITY REGULAR SESSION

MEETING OF August 19, 2026 ITEM NUMBER 17

AGENCY: Executive Director

SUBJECT: South Carolina State Ceiling Allocation Plan - 2027

As a condition of allocating state ceiling, Act 202 of 2022 directs the Authority to adopt an annual State Ceiling Allocation Plan. Section 1-11-520(A) requires the Authority to publish its plan no later than September 30th of the year preceding the calendar year to which the plan applies.

In compliance with Act 202, a proposed 2027 State Ceiling Allocation Plan ("Plan") has been developed to include assigned percentages of state ceiling to categories of private activity bonds, establishes a process for its periodic allocation, and establishes competitive criteria for allocation of state ceiling to authorized requests. The competitive criteria for industrial and economic development projects are attached as Exhibit A to the Plan. The competitive criteria for multi-family housing allocation are those criteria appearing in the 2026 Qualified Allocation Plan and can be found online at 2026_Appendix_C2_Final.pdf.

As required by Act 202, the proposed Plan was submitted to the Joint Bond Review Committee for review at its meeting of August 11, 2026. The Committee recommended approval of the Plan.

AUTHORITY ACTION REQUESTED:

Approve the 2027 State Ceiling Allocation Plan.

ATTACHMENTS:

1. Proposed 2027 South Carolina State Ceiling Allocation Plan
2. 2022 Act 202 (H. 5075)

2027 South Carolina State Ceiling Allocation Plan

SECTION A. CONVENTIONS, DEFINITIONS AND EXHIBITS

Authorized Request includes any request submitted pursuant to §1-11-530(A) or (B) and any request for Issuance Approval as defined below using prior-year carryforward.

Issuance approval means approval by the State Authority for the issuance by State Housing of private activity bonds for a multi-family housing project, as required by Section 31-13-90.

Plan Year refers to the year to which this plan applies, which is noted in the header on each page.

- - - - -

Commerce means the South Carolina Department of Commerce.

Committee means the Joint Bond Review Committee.

JEDA means the Jobs-Economic Development Authority.

Secretary means the Secretary of the State Fiscal Accountability Authority.

State Authority means the State Fiscal Accountability Authority.

State Housing means the State Housing Finance Development Authority.

- - - - -

Exhibit	Subject
A	Competitive Criteria for Industrial and Economic Development Projects, and Projects Proposed for Other Qualified Purposes

SECTION B. AUTHORITY AND ADOPTION

The State Authority approved this plan at its meeting of August 18, 2026. Unless the State Authority provides otherwise herein, the Plan is effective upon adoption.

The Committee favorably reviewed this plan at its meeting of August 11, 2026.

Section 1-11-520(A) requires the annual publication of a State Ceiling Allocation Plan no later than September thirtieth of the year preceding the Plan Year. The State Authority intends to adopt each year's plan at its last regularly scheduled meeting prior to September thirtieth.

SECTION C. PLAN UPDATES AND AMENDMENTS; PLAN PUBLICATION

Administrative Updates

The Plan may be updated administratively as provided herein. An administrative update authorized by this plan is deemed not to constitute an amendment to the Plan.

By the second Monday in January, the Secretary shall publish an administrative update of the plan that (a) updates Section D to state the actual certified amount of state ceiling for the Plan Year, (b) updates Section D to recalculate the limits on authorized requests using the total state ceiling for the Plan Year, (c) updates Section E to state the then-current amounts identified in that Section (d) adds to Section E the amount of any carryforward designated in the prior calendar year pursuant to Section 1-11-520(G), and (e) using the Category Percentages previously approved, recalculates the dollar amounts in Section G based on the actual certified amount of state ceiling for the Plan year.

At the State Authority's first regularly scheduled meeting for the Plan Year, the Secretary will submit a summary of the updates to the State Authority as an informational agenda item.

Plan Amendments

The Plan may be amended as allowed by Title 1, Chapter 11. Section 1-11-520 expressly contemplates amendments to the annual allocation plan upon a finding of exceptional and compelling circumstances by the State Authority. Amendments are subject to review and comment by the Committee. See Section H.

Publication of the Plan

Section 1-11-520(A) requires the State Authority to publish the plan. Once approved, the Secretary is directed to publish the approved plan, as well as any amendment or update, by posting it to the State Authority's website. The initial plan and every update or amendment shall remain on the State Authority's website until the end of the Plan Year.

All updates or amendments shall be sequentially numbered. With each update or amendment, the header shall be revised to include the number and date of the update or amendment, as applicable.

SECTION D. DETERMINATION OF STATE CEILING AND LIMITS ON STATE CEILING FOR AUTHORIZED REQUESTS

The total state ceiling on the issuance of private activity bonds for the current Plan Year is $751,927,050, as certified by the Secretary pursuant to Section 1-11-500.

Unless authorized pursuant to Section 1-11-520(D), the amount of state ceiling that may be allocated to an authorized request may not exceed 10% of the total state ceiling $75,192,705) in the case of an industrial or economic development project, or 5% $37,596,352.50) for any other authorized request.

The total state ceiling for the Plan Year will not be known until the January following the plan's adoption; accordingly, for purposes of the plan's publication, the State Authority will use the state ceiling for the year in which the plan is published. As reflected above, the limits on authorized requests are calculated against the total state ceiling for the year preceding this Plan Year. As reflected in Section E below, the plan will also use an estimate of the carryforward the Secretary anticipates will be unused and available for the Plan Year. These and other tentative amounts will be updated pursuant to Section C.

SECTION E. DETERMINATION OF AMOUNTS SUBJECT TO THIS ALLOCATION PLAN

In addition to the amount determined pursuant to Section 1-11-500, certain amounts available from carryforward from prior-years and other adjustments are subject to the provisions of this Allocation Plan, as follows:

Amount determined pursuant to Section 1-11-500	$751,927,050
Plus amounts expired, relinquished, revoked, or otherwise no utilized for issuance	$0
Plus amount carried forward from prior calendar years that remain unused:	
• Allocated to Multi-Family Housing (2024; expires 2027)	$271,694,375
• Allocated to Multi-Family Housing (2025; expires 2028)	$219,748,030
Total:	$1,243,369,455[1]

SECTION F. ALLOCATION PERIODS & DATES FOR ALLOCATIONS TO AUTHORIZED REQUESTS

Pursuant to Section 1-11-520(B), the State Authority hereby provides for two allocation periods for authorized requests and hereby designates February 1 and August 1 as the beginning of each period. On those dates, 50% of the state ceiling assigned to each category is made available for subsequent allocation to authorized requests.

Authorized requests will be considered on one or more dates on or after the beginning of each allocation period, as established and announced by the Executive Director of the State Authority, and may be amended by the Executive Director for compelling circumstances. Notwithstanding the foregoing, all authorized requests for the same permitted purpose during a single allocation period must be made at only one meeting during that period.

[1] The State Authority allocated and designated as carryforward $694,748,030 of the 2025 state ceiling to State Housing on December 31, 2025. Of that amount, State Housing elected to apply $219,748,030 to its multi-family housing program and $475,000,000 to its single-family program.

SECTION G. CATEGORIES OF PERMITTED PURPOSES; PERCENTAGE ASSIGNMENTS TO CATEGORIES

In accordance with Section 1-11-520(A), the State Authority adopts the following categories of permitted purposes and assigns percentages of the current-year state ceiling to those categories.

Categories of Permitted Purposes[2]	Category Percentage	Category Amount	Amount Available for Allocation on or after February 1 of the Plan Year	Amount Available for Allocation on or after August 1 of the Plan Year
Industrial and Economic Development[3]	40%	$300,770,820	$150,385,410	$150,385,410
Multi-Family Housing[4]	0%	$0.00	$0.00	$0.00
Single-Family Housing[5]	20%	$150,385,410	$75,192,705	$75,192,705
Other Qualified Purposes[6]	40%	$300,770,820	$150,385,410	$150,385,410
Totals	100%	$751,927,050	$375,963,525	$375,963,525

The above amounts are subject to revisions pursuant to the update required by Section C.

As noted in Section E, there is carryforward available for Multi-Family Housing that will expire during the plan year unless otherwise utilized. Accordingly, no assignment of state ceiling is contemplated for Multi-Family Housing until the available carryforward is exhausted.

Any unused state ceiling from the first period shall automatically carry over to the same category for the second period unless reassigned by State Authority pursuant to 1-11-520(C).

If an authorized request submitted to the Secretary cannot be approved pursuant to the then-current plan even with a reassignment pursuant to Section 1-11-520(C), the Secretary is authorized not to place the request on the State Authority's agenda. In such an event, Secretary will notify the State Authority's members as soon as practicable prior to the scheduled meeting date.

[2] Generally, see IRS Publication 4078 (Rev. 9-2019) for a complete list of permitted purposes prescribed by the IRC.

[3] Facilities for the furnishing of water; sewage facilities; privately owned solid waste disposal facilities; facilities for the local furnishing of electric energy or gas; local district heating or cooling; qualified hazardous waste facilities; qualified enterprise zone facilities; qualified small issue bonds.

[4] Qualified residential rental projects.

[5] Qualified mortgage bonds.

[6] Mass commuting facilities; privately owned high-speed intercity rail facilities; qualified redevelopment bond; and qualified student loan bonds.

SECTION H. PLAN AMENDMENTS

Any change to the amount of state ceiling allocated to a category that cannot be accomplished by a reassignment pursuant to Section 1-11-520(C) can only be effected by an amendment to the annual allocation plan in accordance with Section 1-11-520(B) following review and comment by the Joint Bond Review Committee.

SECTION I. EVALUATION AND RANKING BY STATE HOUSING AND COMMERCE

Pursuant to Section 1-11-520(E), the State Authority hereby directs that State Housing perform the periodic evaluation and ranking of all authorized requests for multi-family housing projects. In performing this evaluation and ranking, State Housing will use the competitive criteria adopted in this plan.

Pursuant to Section 1-11-520(E), the State Authority hereby directs that the South Carolina Department of Commerce perform the periodic evaluation and ranking of any non-housing project involving an authorized request for state ceiling. In performing this evaluation and ranking, Commerce will use the competitive criteria adopted in this plan and provide a report as described herein.

SECTION J. SUBMISSION FOR 2026 RANKING

No authorized request will be considered by the State Authority until the project associated with the request has been evaluated and ranked by either State Housing or Commerce, as applicable.

Timely submissions are essential for all authorized requests. Any delay can undermine the ability of the State Authority to timely adopt any plan amendment necessary to modify the category assignments. Reference Section H.

Industrial and Economic Development

Any Industrial or Economic Development project making an authorized request during an allocation period must submit all necessary information to Commerce by any due date established by Commerce for the applicable allocation period. Once the State Authority adopts

a schedule for its regular meetings in the Plan Year, Commerce should announce all applicable due dates for each allocation period.

Not later than the published bond due date for the applicable State Authority meeting, Commerce must provide the State Authority with its allocation recommendations and its evaluation and ranking for any non-housing project seeking an allocation of state ceiling, provided the request was timely received by Commerce.

As noted in Item 6 of Section P below, Commerce must provide the State Authority with written confirmation of the Coordinating Council's allocation recommendations no later than the published bond due date for the applicable State Authority meeting.

Multi-Family Housing

All multi-family housing projects making an authorized request during an allocation period must submit all necessary information to State Housing by the due date established by State Housing for the applicable allocation period. Once the State Authority adopts a schedule for its regular meetings in the Plan Year, State Housing should announce all applicable due dates for each allocation period.

Not later than the published bond due date for the applicable State Authority meeting, State Housing must provide the State Authority with a report of its evaluation and ranking of all projects making an authorized request.

As noted in Item 7 of Section P below, State Housing must provide the State Authority with written confirmation of its Board's allocation recommendations for State Housing projects no later than the published bond due date for the applicable State Authority meeting.

SECTION K. REQUIRED REPORTS

No later than September 30th each year, the State Authority must adopt a plan for the next calendar year. In order to develop that plan, the State Authority needs reliable information before it begins drafting. To gather that information, the State Authority requests the following reports be submitted by August 1st of each year.

The State Authority acknowledges that specific project details may not be known in all cases for the coming plan year; accordingly, specificity is expected to the extent known, accompanied by reasonable estimates of anticipated requests.

These reports will also inform any decisions to reassign state ceiling pursuant to section 1-11-520(C), to reallocate by amending the plan pursuant to section 1-11-520(B), or to reserve current-year state ceiling for year-end designation as carryforward.

Industrial and Economic Development Bonds

Commerce and JEDA, in consultation with the South Carolina Coordinating Council for Economic Development (Coordinating Council), must provide a coordinated report for proposed industrial and economic development projects to the State Authority identifying all known requests for state ceiling for the year following the plan year. The response must include the project name,[7] amount of the state ceiling request, year of allocation, and tentative recommendation of Commerce in accordance with the competitive criteria described below.

Separate from its report, Commerce must submit proposed deadlines for the year following the plan year by which those seeking state ceiling for Industrial and Economic Development projects or projects proposed for other qualified purposes must submit their proposals to Commerce in order for Commerce to provide the State Authority with its final ranking and recommendations no later than the bond submission deadline for the meetings at which state ceiling allocation requests will be considered for the applicable allocation period. Commerce must submit proposed deadlines on the 10th business day following the Authority's adoption of a meeting schedule for the Plan Year.

Commerce may also submit a request for the State Authority to assign up to 40 percent of state ceiling for Industrial and Economic Development, less any allocation requested for known projects, to accommodate future but presently unidentifiable requests; provided, however, that once known, each such request shall identify the project, amount of the allocation request, year of allocation, and include a recommendation of Commerce in accordance with the competitive criteria.

Multi-Family and Single-Family Housing Bonds

State Housing must provide a report for proposed single-family and multi-family housing projects to the State Authority identifying all pending and expected authorized requests for the year following the plan year. The response must include the project name, amount of the state ceiling request, amount of state tax credit (if any), and year of allocation.

The report must also include recommendations for the amount of carryforward from prior-years needed for State Housing to continue each of its programs in the year following the plan year.

[7] Or other identifying information in the event the name of the project is not yet public.

With its report, Housing must submit proposed deadlines for the year following the plan year by which those seeking state ceiling for multi-family housing projects must submit their proposals to Housing in order for Housing to provide the State Authority with its final ranking and recommendation no later than the bond submission deadline for the meetings at which state ceiling allocation requests will be considered for the applicable allocation period.

State Housing must provide the Secretary with a year-end account of any unused remaining carryforward from prior-years no later than first business day of January each year.

SECTION L. COMPETITIVE CRITERIA - GENERALLY

Section 1-11-520(E) requires that the allocation plan establish competitive criteria for allocation of state ceiling to authorized requests, and further provides that competitive criteria may be unique to each category but must be uniform within each category and established to achieve highest value and greatest public benefit.

For purposes of this Allocation Plan, determinations of highest value and greatest public benefit will be made on the basis of the relationship of the state resources requested to the measurable benefit of the proposed project.

SECTION M. COMPETITIVE CRITERIA FOR INDUSTRIAL AND ECONOMIC DEVELOPMENT ALLOCATION AND ALLOCATION TO OTHER PERMITTED PURPOSES

Commerce must provide each year to the State Authority for inclusion in the annual State Ceiling Allocation Plan its recommendations for determining highest value and greatest public benefit for allocation of state ceiling to industrial and economic development projects, and projects proposed for other qualified purposes.

Determinations of highest value and greatest public benefit must include at a minimum and without limitation such measures as the number of new permanent jobs[8] that will be created by the project; the capital investment of the project sponsor independent of state incentives and resources; and a cost benefit analysis generally reflecting a positive financial benefit to the state. The Coordinating Council must submit its proposed recommendations for the year following the plan year to the State Authority no later than August 1 of the plan year. Commerce will use these measures to evaluate any ceiling allocation requests for Industrial and Economic Development projects and projects proposed for other qualified purposes, and such evaluations shall be presented to the Coordinating Council for approval at a public meeting.

For projects seeking state discretionary incentives such as job development credits and/or state grant funding, a definitive agreement with the Coordinating Council must have been finalized prior to consideration by the State Authority. Such agreements with the Coordinating Council may include a preliminary revitalization, grant performance or other incentive agreement

[8] Generally, maintenance of existing jobs will not meet this criterion.

provided that it contains minimum new permanent job and investment commitments by the entity seeking an allocation.

For projects that are not seeking state discretionary incentives, such information as is requested and determined by Commerce to be sufficient for Commerce to evaluate the feasibility and competitiveness of the proposal must be submitted to Commerce prior to consideration by the State Authority.

If multiple projects will be submitted for consideration by the State Authority within a single allocation period, Commerce must rank those projects from highest to lowest value and public benefit as determined by provisions of this section.

In addition to the foregoing, Commerce must, after the project has been fully vetted and all due diligence conducted, provide a definitive recommendation for the amount of state ceiling proposed to be allocated to the project, following an affirmative vote of the Coordinating Council in a public meeting.

For the current year, the competitive criteria for Industrial and Economic Development projects recommended by Commerce are adopted by the State Authority, attached as **Exhibit A**, and incorporated into this Plan by reference.

SECTION N. COMPETITIVE CRITERIA FOR MULTI-FAMILY HOUSING ALLOCATION

State Housing creates an annual Qualified Allocation Plan (QAP)[9], which establishes uniform criteria for the distribution of federal and state Low-Income Housing Tax Credits. The criteria outlined in the QAP provide a competitive process that promotes the highest value and greatest public benefit.

The criteria to be applied to all authorized requests for multi-family housing allocation shall be the criteria appearing in the annual QAP for the calendar year immediately proceeding the Plan Year.

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 authorized requests for multi-family housing projects. State Housing must submit its proposed recommendations for the coming year to the State Authority no later than August 1 of the plan year.

[9] The annual Qualified Allocation Plan is subject to review and comment by the Joint Bond Review Committee and the State Housing Board of Commissioners, and approval by the Governor. (see Internal Revenue Code Section 42 and §12-6-3795, South Carolina Code of Laws)

In addition to the foregoing, State Housing must, after the projects are fully vetted and all due diligence conducted, provide a definitive recommendation for the amount of state ceiling proposed to be allocated to any State Housing project, following an affirmative vote of its governing board in a public meeting.

For the current year, the competitive criteria for Multi-family Housing projects are those criteria appearing in the 2026 QAP and incorporated into this Plan by reference.

SECTION O. COMPETITIVE CRITERIA FOR SINGLE-FAMILY HOUSING ALLOCATION

Multiple competing requests during a single allocation period are not expected for submissions in this category. Accordingly, the State Authority has determined that the highest value and greatest public benefit are most appropriately determined at the programmatic level, rather than by allocations to specific requests.

SECTION P. SUBMISSION REQUIREMENTS FOR AUTHORIZED REQUESTS

All authorized requests must be complete at the time of submission. The Secretary is authorized not to place any incomplete submission on the agenda. The request must be in accordance with the statutory provisions of Section 1-11-530. In addition to the foregoing, all authorized requests must meet all of the following requirements, as applicable:

1. If issuance of the private activity bonds requires approval of the State Authority, any associated request for allocation of state ceiling must be made at the same time. A request for an allocation of state ceiling associated with a contemporaneous request for issuance approval is not complete unless it includes all items required by the State Authority for the issuance approval request.

2. If the applicable private activity bonds require the approval of an entity other than the State Authority, the issuer, or a state constitutional officer, a certified statement from the other approving entity must be submitted with the allocation request. For example, an issuance of bonds by JEDA must be approved by the Coordinating Council (§ 41-43-110(A)).

3. If an authorized request 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.

4. If an authorized request regards a multi-family housing project, the request must undergo a feasibility and underwriting review by State Housing; accordingly, the request must be accompanied by a Certificate of Allocating Agency (42(m) Letter). This requirement applies even if the project includes an irrevocable waiver of any claim for state tax credits pursuant to Section 12-6-3795.

5. The petition submitted for each authorized request must include an acknowledgement that any amount of allocation subsequently requested will constitute a new authorized request and a representation that "the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project." Reference Section 1-11-530(C).

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 authorized request must be accompanied by a letter signed by an executive officer of the project sponsor establishing the project scope and expenditure schedule for proceeds of bonds to which the ceiling allocation applies.

7. In the case of a proposed industrial or economic development project using state ceiling from either the Industrial and Economic Development or Other Qualified Purposes categories, the project must appear on the list of projects ranked by the Coordinating Council for Economic Development and must have received a definitive recommendation from the Coordinating Council for the amount of state ceiling proposed to be allocated to the project.

8. All authorized requests for multi-family housing projects must appear on a single consolidated list of projects ranked by State Housing and must have received a definitive recommendation from State Housing for the amount of state ceiling proposed to be allocated to the project.

9. A request to take any of the following actions must be accompanied by a letter signed by an executive officer of the project sponsor providing a thorough explanation of the compelling circumstances leading to the request and a justification for why those circumstances were not successfully avoided: A request (a) to reinstate or extend the validity of previously allocated state ceiling, (b) to allocate state ceiling to a project if previously allocated state ceiling was allowed to expire, or (c) to allocate additional state ceiling to a project. In addition, a request to allocate additional state ceiling to a project must be accompanied by supporting financial analysis demonstrating the further amount necessary to accomplish financial feasibility of the project. A responsible officer of the project sponsor is expected to attend the applicable State Authority meeting.

10. A request (a) to approve single-project allocations for carry-forward election, or (b) to approve carryforward elections prior to the fourth quarter of the calendar year to which the state ceiling applies must be accompanied by a letter signed by an executive officer of the project sponsor that provides a compelling justification for such action and a thorough explanation of why it is in the best interest of the state to approve the request. As noted below, such requests are considered extraordinary and will receive a heightened level of review. A responsible officer of the project sponsor is expected to attend the applicable State Authority meeting.

11. In the case of an industrial or economic development project, an authorized request seeking more than ten percent of the total state ceiling for the Plan Year must be accompanied by a thorough and compelling statement of facts justifying such an extraordinary allocation of state ceiling to a single project and sufficient to support the finding required by Section 1-11-520(D). The petition must be accompanied by a statement of position by the Coordinating Council regarding the relative size of the request.

12. In the case of a project for any purpose other than for industrial or economic development, an authorized request seeking more than five percent of the total state ceiling for the Plan Year must be accompanied by a thorough and compelling statement of facts justifying such an extraordinary allocation of state ceiling to a single project and sufficient to support the finding required by Section 1-11-520(D).

13. If any part of the submission is subject to review, comment or other action of the Joint Bond Review Committee, the item must be submitted to the committee prior to consideration of the submission by the State Authority.

If a request does not meet each and every published requirement by the submission deadline for the applicable State Authority meeting, the State Authority's Secretary is authorized not to place the item on the State Authority's agenda.

The State Authority reserves its discretion to amend and supplement these procedures as circumstances dictate.

The State Authority and its members reserve the right to require additional information for any particular item.

SECTION Q. EXTENSIONS AND CARRYFORWARDS

Section 1-11-530(C) provides that each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project. In addition to the foregoing, the State Authority must be reasonably assured that any allocation of state resources will be utilized prior to expiration. Accordingly, the State Authority will undertake a heightened level of review and exercise conservative discretion in addressing any request to (1) reinstate or extend the validity of previously allocated state ceiling, (2) allocate state ceiling to a project if previously allocated state ceiling was allowed to expire, (3) allocate additional state ceiling to a project, (4) approve single-project allocations for carry-forward election, (5) or approve carryforward elections prior to the fourth quarter of the calendar year to which the state ceiling applies.

SECTION R. BACKGROUND

On August 30, 2022, the State Fiscal Accountability Authority adopted the inaugural South Carolina State Ceiling Allocation Plan pursuant to Act 202 of 2022. Section A of the 2022 State Ceiling Allocation Plan provided the background and purpose of the plan. The background and purpose of the inaugural plan and Act 202 of 2022 has not changed and need not be repeated on an annual basis. However, the Background and Purpose as written in the 2022 State Ceiling Allocation Plan remains relevant and is incorporated by reference for this South Carolina State Ceiling Allocation Plan.

EXHIBIT A

2027 COMPETITIVE CRITERIA FOR ECONOMIC DEVELOPMENT AND OTHER PROJECTS

SUMMARY OF PROCEDURES FOR EVALUATING REQUESTS FOR STATE CEILING ALLOCATIONS

The following briefly summarizes the procedures applicable to the methodology employed by the South Carolina Department of Commerce (the "Department") in evaluating industrial and economic development projects that are requesting an allocation of the state private activity bond limit by the State Fiscal Accountability Authority (SFAA).

Background

The Department was designated by the South Carolina General Assembly to assist SFAA in determining the allocation of the state private activity bond limit for industrial and economic development projects. As required by Act 202 of 2022 and the South Carolina State Ceiling Allocation Plan, Commerce has established competitive criteria to evaluate industrial and economic development 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:

((County Designation X (New Jobs + New Investment)) + Type of Project + Existing jobs + Existing Investment + Average Salary + Financing+ 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 General Assembly
124th Session, 2021-2022

R228, H5075

STATUS INFORMATION

General Bill
Sponsors: Reps. G.M. Smith and West
Document Path: l:\council\bills\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

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

NOTE: THIS IS A TEMPORARY VERSION. THIS DOCUMENT WILL REMAIN IN THIS VERSION UNTIL FINAL APPROVAL BY THE LEGISLATIVE COUNCIL.

(R228, H5075)

AN ACT TO AMEND SECTION 12-6-3795, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE SOUTH CAROLINA HOUSING TAX CREDIT, SO AS TO DEFINE TERMS AND LIMIT THE CREDIT; TO PROVIDE A ONE-TIME AUTHORIZATION OF SOUTH CAROLINA HOUSING TAX CREDITS FOR CERTAIN PROJECTS APPROVED BEFORE 2022; TO AMEND ARTICLE 3 OF CHAPTER 11, TITLE 1, RELATING TO THE ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS, SO AS TO REQUIRE THE STATE FISCAL ACCOUNTABILITY AUTHORITY TO DEVELOP A STATE CEILING ALLOCATION PLAN ANNUALLY, TO SPECIFY REQUIREMENTS OF THE PLAN, AND TO PROVIDE A PROCESS FOR PERIODIC ALLOCATIONS OF THE STATE CEILING; AND TO REPEAL SECTION 1-11-370 RELATING TO INDEBTEDNESS INCLUDED WITHIN ANY LIMITS ON PRIVATE ACTIVITY BONDS.

Be it enacted by the General Assembly of the State of South Carolina:

South Carolina Housing Tax Credit

SECTION 1. A. Section 12-6-3795 of the 1976 Code, as added by Act 137 of 2020, is amended to read:

"Section 12-6-3795. (A) As used in this section:

(1) 'Eligibility statement' means a statement authorized and issued by the South Carolina State Housing and Finance Development Authority certifying that a given project qualifies for the South Carolina housing tax credit, including any preliminary determination thereof.

(2) 'Federal housing tax credit' means the federal tax credit as provided in Section 42 of the Internal Revenue Code of 1986, as amended.

(3) 'Median income' means those incomes that are determined by the federal Department of Housing and Urban Development guidelines and adjusted for family size.

(4) 'Project' means a housing project that has restricted rents that do not exceed thirty percent of income for at least forty percent of its units occupied by persons or families having incomes of sixty percent or less of the median income, or at least twenty percent of the units occupied by persons or families having incomes of fifty percent or less of the median income.

(5) 'Qualified project' means a qualified low-income building as that term is defined in Section 42 of the Internal Revenue Code of 1986, as amended, that is located in South Carolina and receives approval for tax credits from the South Carolina Housing and Finance Development Authority provided pursuant to this section.

(6) 'Taxpayer' means a sole proprietor, partnership, corporation of any classification, limited liability company, or association taxable as a business entity that is subject to South Carolina taxes pursuant to Section 12-6-510, Section 12-6-530, Chapter 11, Title 12, or Chapter 7, Title 38.

(7) 'Federal 9 percent tax credit' means the federal housing tax credit described in Section 42(b)(1)(B)(i) of the Internal Revenue Code.

(8) 'Federal 4 percent tax credit' means the federal housing tax credit described in Section 42(b)(1)(B)(ii) of the Internal Revenue Code.

(9) 'Credit period' has the meaning defined in Section 42(f)(1) of the Internal Revenue Code.

(10) 'State housing authority' means the South Carolina State Housing Finance and Development Authority.

(11) 'Department of Revenue' means the South Carolina Department of Revenue.

(B)(1) A state tax credit pursuant to this section may be claimed against income taxes imposed by Section 12-6-510 or 12-6-530, bank taxes imposed pursuant to Chapter 11, Title 12, corporate license fees imposed pursuant to Chapter 20, Title 12, and insurance premium and retaliatory taxes imposed pursuant to Chapter 7, Title 38, to be termed the South Carolina housing tax credit, and is allowed with respect to each qualified project placed in service after January 1, 2020, and before December 31, 2030, in an amount not to exceed the federal housing tax credit allowed with respect to such qualified project, subject to the limitations of item (5). In computing a tax payable by a taxpayer pursuant to Section 38-7-90, the credit allowed pursuant to this section must be treated as a premium tax paid pursuant to Section 38-7-20.

(2)(a) If under Section 42 of the Internal Revenue Code of 1986, as amended, a portion of any federal housing tax credit taken on a project is required to be recaptured, the taxpayer claiming any South Carolina housing tax credit with respect to such project also is required to recapture a portion of any South Carolina housing tax credit authorized by this section. The state recapture amount is equal to the proportion of

the South Carolina housing tax credit claimed by the taxpayer that equals the proportion the federal recapture amount bears to the original federal housing tax credit amount subject to recapture.

(b) In the event that recapture of any South Carolina housing tax credit is required, any return submitted to the Department of Revenue, as provided in this section, shall include the proportion of the South Carolina housing tax credit required to be recaptured, the identity of each taxpayer subject to the recapture, and the amount of South Carolina housing tax credit previously allocated to such taxpayer. Any recapture of the South Carolina housing tax credit is reported in the same manner as any recapture of the federal housing tax credit.

(3) The total amount of the South Carolina housing tax credit allowed by this section for a taxable year may not exceed the taxpayer's income tax liability. Any unused South Carolina housing tax credit may be carried forward to apply to the taxpayer's next five succeeding years' tax liability. The taxpayer may not apply the credit against any prior tax years' tax liability.

(4) The South Carolina housing tax credit and any recaptured tax credit, must be allocated among some or all of the partners, members, or shareholders of the entity owning the project in any manner agreed to by such persons, regardless of whether such persons are allocated or allowed any portion of the federal housing tax credit with respect to the project.

(5)(a) The South Carolina housing tax credit allowed for any project must supplement but not supplant the federal housing tax credit and must be limited to an amount necessary only to achieve financial feasibility of the project.

(b) The total amount of all South Carolina housing tax credits that may be allocated in any calendar year must not exceed twenty million dollars, plus the total of all unallocated tax credits, if any, for any preceding years, and the total amount of any previously allocated tax credits that have been recaptured, revoked, canceled, or otherwise recovered but not otherwise reallocated.

(c) Of the dollar limitation prescribed in subitem (b), the total amount of South Carolina housing tax credits allocated to qualified projects utilizing the federal 9 percent tax credit must not exceed forty percent of the dollar limitation prescribed in subitem (b). Of the South Carolina housing tax credits allocated to qualified projects utilizing the federal 9 percent tax credit, no less than fifty percent of the South Carolina housing tax credits must be allocated to qualified projects located in an eligible rural area as designated by the United States Department of Agriculture, with the remainder allocated to (i) qualified projects serving older persons or persons with special needs, irrespective

of rural eligibility criteria; (ii) qualified projects supporting workforce development as certified by the South Carolina Department of Commerce, irrespective of rural eligibility criteria; and (iii) other qualified projects, irrespective of rural eligibility criteria.

(d) Compliance with the dollar limitations of subitems (b) and (c) must be determined by the total amount of South Carolina housing tax credits allocated for one full year of the credit period applicable to each qualified project, and not the total amount of South Carolina housing tax credits allocated for the entire credit period applicable to each qualified project. Compliance with the dollar limitations of subitems (b) and (c) must be determined within each calendar year at the time the state housing authority makes a preliminary determination of any qualified project's eligibility for the South Carolina housing tax credit.

(e) In addition to the dollar limitation of subitem (b), allocation of any South Carolina housing tax credit to any qualified project utilizing the federal 4 percent tax credit is conditioned on among other things availability and allocation to the extent necessary for the qualified project of any state ceiling made pursuant to Article 3, Chapter 11, Title 1.

(C)(1) The state housing authority shall promulgate rules establishing criteria upon which the eligibility statements are issued which must include consideration of evidence of local support for the project. The eligibility statement must specify the amount of the South Carolina housing tax credit allowed, and must include: (i) the annual amount of South Carolina housing tax credit allocated to the qualified project for each year of credit the period; and (ii) the total amount of South Carolina housing tax credit allocated to the qualified project for the entire credit period.

(2) The state housing authority may not issue an eligibility statement until the taxpayer provides a report to the state housing authority detailing how the South Carolina housing tax credit will benefit the tenants of the project, once placed in service, including without limitation, reduced rent, and why the South Carolina housing tax credit is essential to the financial feasibility of the project.

(3) The state housing authority must establish uniform criteria for allocating the South Carolina housing tax credit to eligible projects pursuant to a competitive process that promotes highest value and greatest public benefit. The state housing authority must establish the criteria required by this section as part of any qualified allocation plan adopted to administer the federal housing tax credit, which must include without limitation: (i) written notice by the state housing authority to the county and city within which any project is proposed to be located; (ii)

following such notice, an opportunity for public comment on the proposed project at a public hearing conducted by the state housing authority no less than ten business days following notice of such public hearing, notification of which must be made by publication in a newspaper of general circulation in the county and city within which the proposed project is to be located; and (iii) an opportunity for the county and the city within which the project is proposed to be located to provide comment within no less than ten business days following such public hearing. The criteria established pursuant to this section, and any qualified allocation plan, are subject to the prior review and comment of the Joint Bond Review Committee.

(4) The state housing authority must furnish no later than January thirty-first of each year an annual report of South Carolina housing tax credits allocated pursuant to this section, which must include for the preceding calendar year the total amount of South Carolina housing tax credits allocated, and for each project, the project name and location, the amount of the South Carolina housing tax credits allocated to the project, project ownership, total number of units assisted, and the public benefit achieved by the project. The annual report must be furnished to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, the Chairman of the House of Representatives Ways and Means Committee, the Joint Bond Review Committee, and the State Fiscal Accountability Authority.

(D) The Department of Revenue, in consultation with the state housing authority, may adopt rules and policies necessary to implement and administer the provisions of this section; provided, however, that the state housing authority has the responsibility for: (i) allocation and administration of the South Carolina housing tax credit; and (ii) ensuring that the limits prescribed by subsection (B)(5)(b) and (c) are not exceeded.

(E) Notwithstanding any other provision of law, the provisions of this section and administration thereof are subject to the oversight, and review and comment as appropriate, of the Joint Bond Review Committee."

B.1. Notwithstanding the limitations prescribed by Section 12-6-3795(B)(5)(b), (c), and (d) in SECTION 1.A., the General Assembly hereby provides a one-time authorization of South Carolina housing tax credits in an amount necessary but not exceeding one hundred million dollars for qualified projects approved before December 31, 2021, by the State Fiscal Accountability Authority or the South Carolina State Housing and Finance Development Authority, as applicable. Any allocations of South Carolina housing tax credits made

pursuant to this provision are subject to the review and comment of the Joint Bond Review Committee. No later than thirty days following enactment hereof, the South Carolina State Housing and Finance Development Authority must identify and report to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, the Chairman of the House of Representatives Ways and Means Committee, the Joint Bond Review Committee, and the State Fiscal Accountability Authority all qualified projects to which this one-time authorization of South Carolina housing tax credits is proposed to apply. The report must be made in such form and substance as may be directed by the Joint Bond Review Committee. Nothing in this provision grants any rights to, or in the processes used in the determination of, allocation of this one-time authorization of South Carolina housing tax credits. Decisions made pursuant to this provision are final and are not subject to judicial or administrative review.

2. This subsection B takes effect upon approval by the Governor.

C. This SECTION takes effect upon approval by the Governor and first applies to tax years beginning after 2021.

State ceiling allocation

SECTION 2. Article 3, Chapter 11, Title 1 of the 1976 Code is amended to read:

"Article 3

Allocation of State Ceiling on Issuance of Private Activity Bonds

Section 1-11-500. The state ceiling on the issuance of private activity bonds as defined in Section 146 of the Internal Revenue Code of 1986 established in the act must be certified annually by the Secretary of the State Fiscal Accountability Authority (the state authority) based upon the provisions of the act. The secretary of the state authority shall make this certification as soon as practicable after the estimates of the population of the State of South Carolina to be used in the calculation are published by the United States Bureau of the Census but in no event later than February first of each calendar year.

Section 1-11-510. (A) The private activity bond limit for all issuing authorities must be allocated by the state authority in response to

authorized requests as described in Section 1-11-530 by the issuing authorities, or as otherwise provided in Section 1-11-520(G).

(B) The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.

(C) Nothing in this article or the State Ceiling Allocation Plan adopted pursuant to this article grants any rights to, or in the processes used in the allocation or disposition of, state ceiling. Decisions made pursuant to this article are final and are not subject to judicial or administrative review.

Section 1-11-520. (A) No later than September thirtieth of the year preceding the calendar year to which the state ceiling applies, and subject to review and comment by the Joint Bond Review Committee, the state authority must publish a State Ceiling Allocation Plan that assigns percentages of the state ceiling to categories of any of the permitted purposes prescribed by the Internal Revenue Code. Without limitation, categories of permitted purposes may include industrial and economic development bonds; single family housing bonds; multifamily housing bonds; student loan bonds; and any other bonds eligible for tax exemption as a private activity bond pursuant to the Internal Revenue Code. No initial assignment to any single category may exceed forty percent of the state ceiling, and no minimum assignment is required for any category.

(B) Further, the allocation plan must provide for a process of periodic allocations of the state ceiling within each category, which for any period generally may not exceed an amount of the state ceiling allocated to that category equally divided among the number of periods in the year during which allocations are to be made; provided, however, that the state authority may, upon findings of exceptional and compelling circumstances, amend the annual allocation plan following review and comment by the committee.

(C) Notwithstanding the assigned percentages set forth in the allocation plan, the state authority may but need not reassign any state ceiling unused in prior periods as a supplement to and means to address demand for ceiling allocation in a subsequent period. Such reassignment may be made for any allocation category, notwithstanding its original assignment.

(D) Unless otherwise approved in writing by the state authority following justification and substantial findings of significance, no authorized request may receive an allocation of state ceiling applicable to that calendar year exceeding ten percent of the total state ceiling in the

case of an industrial or economic development project, or five percent of the total state ceiling for any other allocation category.

(E) The allocation plan must establish competitive criteria for allocation of state ceiling to authorized requests. Competitive criteria may be unique to each category but must be uniform within each category and established to achieve highest value and greatest public benefit. Discussions of matters related to the periodic evaluation of authorized requests may be conducted in executive session. The state authority may utilize the services of the South Carolina Department of Commerce, the South Carolina State Housing Finance and Development Authority, any other state agency, and any other public or private resources to inform and provide services for the development of the allocation plan, including the evaluation and competitive criteria; and the periodic evaluation of authorized requests. The Department of Commerce and the State Housing Finance and Development Authority are directed to provide to the state authority such assistance as may be requested or required to accomplish the purposes of this article.

(F) Allocations of state ceiling to authorized requests must be made in accordance with the provisions of the allocation plan and policies and procedures adopted by the state authority.

(G) The state authority must determine the disposition of any remaining, unused state ceiling during the final period of the calendar year pursuant to a petition submitted in accordance with Section 1-11-530(D).

Section 1-11-530. (A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the state authority that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by: (i) a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds, and (ii) such other supporting documentation as the state authority may by policy prescribe.

(B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the state authority that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by: (i) a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds, and (ii) such other supporting documentation as the state authority may by policy prescribe.

(C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

(D) An issuing authority seeking an allocation of any remaining unused state ceiling for carry-forward designation must submit to the state authority a petition identifying the types of tax-exempt bonds to which the carry-forward designation will apply. The petition must be accompanied by such other supporting documentation as the state authority may by policy prescribe. Such allocations are not subjected to the provisions of Section 1-11-520(D), (E), and (F).

(E) Notwithstanding any other provision of this article, the state authority may disapprove, reduce, or defer any authorized request or petition for carryforward.

(F) The state authority must periodically furnish to the Joint Bond Review Committee a report of petitions received, along with their dispositions.

Section 1-11-540. Reserved.

Section 1-11-550. (A) An allocation of the state ceiling approved by the state authority is made formal initially by a certificate which allocates tentatively a specific amount of the state ceiling to the bonds for which the allocation is requested. This tentative allocation certificate must specify the state ceiling amount allocated, the issuing authority and the project involved, and the time period during which the tentative allocation is valid. This certificate must remind the issuing authority that the tentative allocation is made final after the issuing authority chairman or other duly authorized official or agent of the issuing authority, before the issue is made, certifies the issue amount and the projected date of issue, as is required by subsection (B) of this section. It also may include other information considered relevant by the secretary of the state authority.

(B) The chairman or other authorized official or agent of an issuing authority issuing any private activity bond for which a portion of the state ceiling has been allocated tentatively shall execute and deliver to the secretary of the state authority an issue amount certificate setting forth the exact amount of bonds to be issued and the projected bond issue date which date must not be more than ten business days after the date of the issue amount certificate and it must be before the state ceiling allocation involved expires. The issue amount certificate may be an executed copy of the appropriate completed form to be submitted to the Internal Revenue Service on the issue or it may be in the form of a letter which

certifies the exact amount of bonds to be issued and the projected date of the issue.

(C) In response to the issuing authority's issue amount certificate required by subsection (B) of this section, the secretary of the state authority is authorized to issue and, as may be necessary, to revise a certificate making final the ceiling allocation previously approved by the state authority on a tentative basis, if the secretary of the state authority determines that:

(1) the issuing authority's issue amount certificate specifies an amount not in excess of the approved tentative ceiling allocation amount;

(2) the issue amount certificate was received prior to the issue date projected and that the certificate is dated not more than ten days prior to the issue date projected; provided, however, that if an issue amount certificate is dated more than ten days prior to the date of issue of the bonds, such certificate shall be void, and a new request must be provided to the secretary of the state authority prior to issuance of the bonds;

(3) the issue date projected is within the time period approved previously for the tentative ceiling allocation; and

(4) the bonds when issued and combined with the total amount of bonds requiring a ceiling allocation included in issue amount certificates previously submitted to the state authority by issuing authorities do not exceed the state ceiling for the calendar year. Except under extraordinary circumstances, the secretary of the state authority shall issue this certificate within two business days following the date the issue amount certificate is received.

(D) In accordance with Section 149(e)(2)(F) of the Internal Revenue Code, the secretary of the state authority is designated as the state official responsible for certifying, if applicable, that certain bonds meet the requirements of Section 146 of the Internal Revenue Code relating to the volume cap on private activity bonds.

(E) Any tentative or final state ceiling allocation granted by the state authority before the effective date of this act remains valid as an allocation of a portion of the volume cap for South Carolina provided under Section 146 of the Internal Revenue Code. The allocations expire in accordance with the law under which they were granted or extended and their validity may be extended or reinstated in accordance with the provisions of Sections 1-11-500 through 1-11-570.

Section 1-11-560. (A) Any state ceiling allocation approved by the state authority is valid only for the calendar year in which it is approved, unless eligible and approved for carry-forward election or unless specified differently in the certificates required by Section 1-11-550.

(B) Unless eligible and approved for carry-forward election or unless specified differently in certificates required by Section 1-11-550, each state ceiling allocation expires automatically if the bonds for which the allocation is made are not issued within ninety consecutive calendar days from the date the allocation is approved by the state authority.

(C) In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the state authority, acting during the period an approved allocation is valid, may but need not extend the period in which an allocation is valid in a single calendar year by thirty-one consecutive calendar days to a total of not more than one hundred twenty-one consecutive calendar days.

(D) In response to a written request by the chairman or other authorized official or agent of an issuing authority, the state authority may but need not reinstate for a period of not more than thirty-one consecutive calendar days in any one calendar year part or all of an allocation approved but not extended previously in accordance with subsection (C) of this section in that same calendar year which has expired. The reinstatement request must certify that the authorized request previously submitted is still true and correct or a new authorized request must be submitted.

(E) A tentative ceiling allocation is canceled automatically if the chairman or other authorized official or agent of the issuing authority fails to deliver the issue amount certificate required by Section 1-11-550 to the secretary of the state authority before the bonds for which the allocation is made are issued.

(F) The chairman or other authorized official or agent of an issuing authority shall advise the secretary of the state authority in writing as soon as is practicable after a decision is made not to issue bonds for which a portion of the state ceiling has been allocated. All notices of relinquishment of ceiling allocations must be entered promptly in the state authority's records by the secretary of the state authority.

(G) Ceiling allocations which are eligible and approved for carry-forward election are not subject to the validity limits of this section. The state authority shall join with the issuing authorities involved in carry-forward election statements to meet the requirements of the Internal Revenue Service.

Section 1-11-570. The state authority may adopt policies and procedures necessary to implement and administer the provisions of this article. All such policies and procedures, and any changes thereto, are subject to review and comment by the Joint Bond Review Committee.

Section 1-11-580. The State Fiscal Accountability Authority shall make quarterly payments on insurance contracts where the annual premium exceeds fifty thousand dollars. The board shall undertake necessary negotiations to implement this requirement. Where fees may be incurred for quarterly rather than annual payments, the State Fiscal Accountability Authority shall determine whether the investment income opportunity is greater or less than proposed fees and shall make the decision which best benefits South Carolina."

Repeal

SECTION 3. Section 1-11-370 of the 1976 Code is repealed.

Conflicting provisions

SECTION 4. The provisions of Article 3, Chapter 11, Title 1 of the 1976 Code relating to the allocation of state ceiling on issuance of private activity bonds, as amended in this act, shall control if there is any conflict with any other provision of law or regulation, specifically including Regulation 19-103.

Severability

SECTION 5. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

Time effective

SECTION 6. The provisions of this act are effective for allocations of state ceiling beginning January 1, 2022, and thereafter. For the first year of implementation, the state authority may adopt such special procedures as may be necessary to effect the requirements of this act.

Ratified the 12th day of May, 2022.

_____

President of the Senate

_____

Speaker of the House of Representatives

Approved the _____ day of _____2022.

_____

Governor

----XX----

STATE FISCAL ACCOUNTABILITY AUTHORITY REGULAR SESSION

MEETING OF August 19, 2026 ITEM NUMBER 18

AGENCY: State Fiscal Accountability Authority

SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 2:00 p.m. on Tuesday, October 13, 2026, in Room 252, Edgar A. Brown Building.

The Authority is also asked to approve the following schedule of proposed meetings for the State Fiscal Accountability Authority for 2027:

Tuesday, February 9 – 9:30 a.m.

Tuesday, March 30 – 9:30 a.m.

Tuesday, June 8 – 2:00 p.m.

Tuesday, August 17 – 2:00 p.m.

Tuesday, October 12 – 2:00 p.m.

Tuesday, December 7 – 2:00 p.m.

AUTHORITY ACTION REQUESTED:

Agree to meet at 2:00 p.m. on Tuesday, October 13, 2026, in Room 252, Edgar A. Brown Building. Additionally, approve the proposed schedule of meetings for calendar year 2027.

ATTACHMENTS: