

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Wednesday, June 28, 2023– 2:00 P.M.

Room 252, Edgar A. Brown Building

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STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Wednesday, June 28, 2023– 2:00 P.M.

Room 252, Edgar A. Brown Building

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<u>Item</u>	<u>Agency</u>	<u>Subject</u>
8.	Medical University of South Carolina	Not Exceeding \$85,650,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2023
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MEETING OF June 28, 2023

ITEM NUMBER 1

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
\$22,500,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Educational Facilities Revenue Bonds, Series 2023; Atlantic Collegiate Academy	Atlantic Collegiate Academy Conduit: SCJEDA	Howell Linkous & Nettles – Alan Linkous and Sam Howell	Burr Forman – Michael Seezen and Assatta Williams	5/19/2023

GENERAL OBLIGATION / REVENUE ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$20,210,000; State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of the Medical University of South Carolina), Series 2023; College of Health Professions	State of South Carolina (on behalf of the Medical University of South Carolina)	Pope Flynn Group – Bill Musser	South Carolina Attorney General	9/15/2022
\$85,650,000; State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of the Medical University of South Carolina), Series 2023; College of Medicine	State of South Carolina (on behalf of the Medical University of South Carolina)	Pope Flynn Group – Bill Musser	South Carolina Attorney General	5/22/2023

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 June 28, 2023 meeting:**

CONDUIT/OTHER ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$22,500,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Educational Facilities Revenue Bonds, Series 2023; Atlantic Collegiate Academy	Atlantic Collegiate Academy Conduit: SCJEDA	Howell Linkous & Nettles – Alan Linkous and Sam Howell	Burr Forman – Michael Seezen and Assatta Williams	5/19/2023

GENERAL OBLIGATION / REVENUE ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$20,210,000; State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of the Medical University of South Carolina), Series 2023; College of Health Professions	State of South Carolina (on behalf of the Medical University of South Carolina)	Pope Flynn Group – Bill Musser	South Carolina Attorney General	9/15/2022
\$85,650,000; State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of the Medical University of South Carolina), Series 2023; College of Medicine	State of South Carolina (on behalf of the Medical University of South Carolina)	Pope Flynn Group – Bill Musser	South Carolina Attorney General	5/22/2023

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF June 28, 2023

REGULAR SESSION

ITEM NUMBER 2

AGENCY: State Treasurer's Office

SUBJECT: State Auditor's update regarding the status of their engagement to test the reconciliation of statewide cash balances as of December 31, 2022, to the cash balances by fund as presented in the State's annual comprehensive financial report (ACFR)

The State Auditor has been requested to provide an update and answer questions regarding the the status of their engagement to test the reconciliation of statewide cash balances as of December 31, 2022, to the cash balances by fund as presented in the State's annual comprehensive financial report (ACFR).

AUTHORITY ACTION REQUESTED:

Receive as information the State Auditor's update regarding the status of their engagement to test the reconciliation of statewide cash balances as of December 31, 2022, to the cash balances by fund as presented in the State's annual comprehensive financial report (ACFR).

ATTACHMENTS:

Agenda item worksheet and attachment



June 16, 2023

The Honorable Curtis M. Loftis, Jr.
State Treasurer
Wade Hampton Building, 1200 Senate Street
Columbia, South Carolina 29201

Dear Treasurer Loftis:

At your request, I am providing an update on the status of our engagement to test the reconciliation of statewide cash balances as of December 31, 2022, to the cash balances by the funds presented in the State's annual comprehensive financial report (ACFR). As you know, this reconciliation was prepared by the Office of the Comptroller General (CGO) in collaboration with the Office of the State Treasurer (STO).

Testing of the reconciliation is in process. While we are making progress, we have revised our goal to complete our work and issue our report to the week of July 10, 2023.

As mentioned in my update of May 15, information regarding cash balances of certain state entities at a June 30 fiscal year end is not available at December 31 or any other interim period. Addressing this is an issue that has slowed our progress. To compensate for this lack of information, we are confirming directly with certain state entities the cash balances held by them as of December 31, 2022. We are currently working with the CGO on a confirmation format that will assist the agency in identifying a statewide balance as a balance or combination of balances maintained on the agency accounting system. We expect confirmations to be sent to agencies the week of June 19, with a week to ten days allowed for response.

Both the CGO and STO have been fully cooperative in assisting us with information and other requests

Please let me know if you have questions.

Sincerely,

George L. Kennedy, III, CPA
State Auditor

GLKIII/trb

Additional Distribution

Governor Henry McMaster
Senator Harvey S. Peeler, Jr., Chairman of the Senate Finance Committee
Representative Bruce Bannister, Chairman of the House Ways and Means Committee
Comptroller General Brian Gaines
Senator Lawrence K. Grooms, Member, Senate Finance Committee
Grant Gillespie, Executive Director, State Fiscal Accountability Authority

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

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

(a) Project: JBRC Item 1: Clemson University
H12.9956: Tillman Hall Auditorium Renovation

Request: Establish Phase II Full Construction Budget to renovate the auditorium in the historic Tillman Hall to create a major gathering space in the heart of campus.

Included in CPIP: Yes – 2022 CPIP Priority 7 of 9 in FY23 (estimated at \$11,500,000)
Phase I Approval: April 2022 (estimated at \$11,500,000) (SFAA)
CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Maintenance & Stewardship	230,000		230,000	11,270,000	11,500,000
All Sources	<u>230,000</u>		<u>230,000</u>	<u>11,270,000</u>	<u>11,500,000</u>

Summary of Work: The work will include renovating the approximately 13,165 square foot auditorium to make it function as both a large scale, 600-seat classroom and an auditorium. It will also include installing new restrooms in a portion of the existing main building, returning the stage to a more manageable scale, creating back-of-house spaces for guest lecturers and performers, and opening the space to more natural light. The renovation will further address planned maintenance, including replacing fan coil units and lighting, upgrading some interior finishes, and upgrading the fire protection and electrical systems.

Rationale: Tillman Hall has not been renovated since 1981 (42 years ago). Per the university, the auditorium is not suitable for classroom instruction or for hosting campus speakers for students, faculty and staff. The large stage for theatrical productions is no longer needed and reducing the stage will provide more seating opportunities. The renovation will also allow for upgrading the auditorium to current ADA standards. With this renovation, the auditorium will become the largest teaching auditorium on campus.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Facility Characteristics: Tillman Auditorium is 95,700 square feet and was constructed in 1893 (130 years old) as the campus chapel. It was expanded in 1924 (99 years ago), to reorient the stage and add balconies. Tillman Hall was last renovated in 1981 (42 years ago). This renovation will return the space to the original design and provide approximately 600 seats to serve large classes and special events on campus. Tillman Hall will serve more than 5,000 students per week for instructional activities, which may increase due to the increased capacity provided by the renovation, per the university. Additionally, the space will be used for special events in the evenings for guest speakers, small concerts, award ceremonies, and seminars with seating up to 600 seats.

Financial Impact: This project will be funded from Other, Maintenance & Stewardship Funds (uncommitted balance \$23.18 million at April 11, 2023) Revenue to the fund is generated from tuition, matriculation and other debt retirement and plant transfer revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has increased from \$738 to \$1,005 for the academic years 2014-2015 to 2022-2023. \$380 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$11,500,000 (internal) funded by Maintenance & Stewardship Funds. Contract execution is expected in August 2023 and completion of construction in December 2024.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(b) Project: JBRC Item 2: College of Charleston
H15.9681: Grice Marine Lab Annex Renovation

Request: Establish Phase I Pre-Design Budget to address structural issues.

Included in CPIP: Yes – 2022 CPIP Priority 2 of 7 in FY24 (estimated at \$3,622,500)
CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project				142,500	142,500
All Sources				<u>142,500</u>	<u>142,500</u>

Summary of Work: The project will address structural issues including extensively damaged sill plates and chimneys. Asbestos and lead-based paint will be abated. Wall systems and exterior siding will be repaired. Windows, doors, mechanical, electrical, plumbing and fire life safety systems will be replaced. Major ADA and building code issues will be addressed. Interior reconfigurations and finish updates will also be completed.

Rationale: Much of the infrastructure is original to the building. Air conditioning is currently supplied through window units, leading to indoor air quality issues. Per the college, windows, doors, and lapboard siding are falling into disrepair. Sill plate replacements are crucial to the building's structural health.

Facility Characteristics: Grice Marine Lab Annex is 7,144 gross square feet and was constructed in 1932 (91 years old). The last renovation was completed in 1987 (36 years ago). The one-level historic building is on James Island. It was constructed as a federal quarantine hospital and the college secured ownership in partnership with MUSC in 1952 (71 years ago). The facility now serves as a core facility in support of approximately 400 undergraduate majors and 55 graduate students in pursuit of a BS or MS degree in Marine Biology, as well as faculty and student independent research.

Financial Impact: This project will be funded from Other, Capital Improvement Project Funds (uncommitted balance \$44.13 million at April 4, 2023). Revenue to this fund is generated by the Capital Improvement Fee that exceeds current annual debt service related to bonds. The project is expected to result in a decrease of \$6,200

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(year 1), \$6,386 (year 2), and \$6,578 (year 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has increased from \$781 to \$906 for the academic years 2014-2015 to 2022-2023. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$5,700,000 (internal) funded by Capital Improvement Project Funds. The Phase I amount requested is 2.50% of the total estimated cost to complete the project because the procurement method will be Design-Bid-Build. The additional funds will be used to cover overhead costs to solicit and retain a contracting partner earlier in the process than the usual Design-Building process.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(c) Project: JBRC Item 3: College of Charleston
H15.9682: School of Education Exterior Repairs

Request: Establish Phase I Pre-Design Budget to make interior and exterior repairs to the building.

Included in CIP: No – This project was estimated to be less than \$2 million and therefore not included in the 2022 CIP submission.

CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project				55,500	55,500
All Sources				<u>55,500</u>	<u>55,500</u>

Summary of Work: The project will repair and/or replace windows, doors, roof, siding and moldings on the addition portion of the building. The entry courtyard will be regraded to divert stormwater away from the building. Light repairs will be completed on the original building as needed. Additionally, repairs will be completed for damaged sheetrock and ceiling tiles due to water intrusion. All roofing material options will be evaluated during the Phase I process.

Rationale: A September 2022 building envelope assessment by REI Engineers showed the modified bitumen surface ply roof exhibited granular loss, early cracking, open laps, and improper terminations. Nine roof leaks were observed and traced back to improper sealing of roof drains and HVAC piping. Wood siding and penetrations within were unsealed or improperly sealed. Gaps were observed in siding and window sheet metal flashings and end dams at sills and corners were missing. Sealant was missing between the windowsill and wooden sub sill directly below, causing sagging and negative drainage slope. The assessment also showed that the windows are not defective, and the water intrusion issues appear to be due to incorrect installation of flashing. Additionally, a roof assessment cited improper flashing. The membrane remains intact but select areas improperly flashed show minimal building infiltration. Nonhistorical doors and moldings have deteriorated due to incorrect installation of flashing. The siding was originally specified as cementitious planks but prohibited by the City Board of Architectural Review. Treated pine was used instead and due to

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

questionable installation, some boards have rotted from improper caulking and warping.

Facility Characteristics: The original School of Education Building is 7,700 gross square feet and was constructed in 1875 (148 years old). The last significant renovation occurred in 2007. A 21,000 gross square foot addition to the building was constructed in 2007 (16 years old). The building houses the School of Education offices, Department of Teacher Education, Office of Student Services and Credentialing, Office of Professional Development in Education, Alumni Center, and the Jeremy Warren Vann Teacher Education Center. Approximately 1,170 undergraduate students, 760 graduate students, 23 faculty, 22 staff and clients, visitors, and parents, utilize the facility regularly.

Financial Impact: This project will be funded from Other, Capital Improvement Project Funds (uncommitted balance \$44.13 million at April 4, 2023). Revenue to this fund is generated by the Capital Improvement Fee that exceeds current annual debt service related to bonds. The project is expected to result in a decrease of \$2,100 (year 1), \$2,163 (year 2), and \$2,228 (year 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has increased from \$781 to \$906 for the academic years 2014-2015 to 2022-2023. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$2,220,000 (internal) funded by Capital Improvement Project Funds. The Phase I amount requested is 2.50% of the total estimated cost to complete the project because the procurement method will be Design-Bid-Build. The additional funds will be used to cover overhead costs to solicit and retain a contracting partner earlier in the process than the usual Design-Building process.

Other: A claim has not been filed with the Insurance Reserve Fund. The college intends to confer with their in-house counsel to explore litigation options. Per the college, the general contractor for the addition cannot be reached and appears to be out of business.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(d) Project: JBRC Item 4: College of Charleston
H15.9683: Sottile Theatre Envelope, Safety, and HVAC Upgrades

Request: Establish Phase I Pre-Design Budget to address moisture infiltration in the theatre.

Included in CPIP: Yes – 2022 CPIP Priority 7 of 9 in FY23 (estimated at \$5,200,000)

CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project				130,000	130,000
All Sources				<u>130,000</u>	<u>130,000</u>

Summary of Work: The project will address moisture infiltration in at least 12 documented areas, structural reinforcements over the audience section, life safety upgrades and HVAC system replacement. A comprehensive building envelope assessment was completed in May 2021 and recommends 1) repairs to exterior brick, stucco, concrete coping/ornamentation, coatings, penetrations, fenestrations, metal/clay-tile roofs and historic entrance canopies. 2) replacements of exterior wall sealant system, low-slope roofs, pop-up/penthouse roofs, siding, and wood windows. 3) structural reinforcement of original steel roof trusses to account for current structural load; preparation, priming, and painting of various exterior metal surfaces. 4) replacement of wood “catwalk” walkways above audience seating with code-compliant metal systems for lighting and HVAC equipment access. All roofing material options will be evaluated during the Phase I process.

Rationale: Building envelope issues are allowing water intrusion from the roof, exterior walls and basement foundation. As a historically protected building, demolition is not an option.

Facility Characteristics: The Sottile Theatre is 59,081 gross square feet and was constructed in 1927 (96 years old). The attic level containing the catwalks is approximately 20,000 gross square feet. All other renovations apply to the exterior of the building. The theatre is utilized by the entire campus community including student programming, student organizations, and academic departments. In addition to internal college use, the theatre hosts local, regional, and national performances

AGENCY: Department of Administration, Executive Budget Office

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and is one of the primary venues for the Spoleto Arts Festival. The facility averages 623 patrons per event and serves approximately 43,000 patrons a year.

Financial Impact: This project will be funded from Other, Capital Improvement Project Funds (uncommitted balance \$44.13 million at April 4, 2023). Revenue to this fund is generated by the Capital Improvement Fee that exceeds current annual debt service related to bonds. The project is expected to result in a decrease of \$9,000 (year 1), \$9,270 (year 2), and \$9,548 (year 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has increased from \$781 to \$906 for the academic years 2014-2015 to 2022-2023. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$5,200,000 (internal) funded by Capital Improvement Project Funds. The Phase I amount requested is 2.50% of the total estimated cost to complete the project because the procurement method will be Design-Bid-Build. The additional funds will be used to cover overhead costs to solicit and retain a contracting partner earlier in the process than the usual Design-Building process.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(e) Project: JBRC Item 5: Coastal Carolina University
H17.9624: Indoor Practice Facility Construction

Request: Establish Phase II Full Construction Budget to construct an indoor practice facility.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 4 in FY23 (estimated at \$15,000,000)
Phase I Approval: June 2022 (estimated at \$15,000,000) (SFAA)
CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Project Reserves	375,000		375,000	4,625,000	5,000,000
Other, Donor Gifts				15,000,000	15,000,000
All Sources	<u>375,000</u>		<u>375,000</u>	<u>19,625,000</u>	<u>20,000,000</u>

Summary of Work: The project will construct a pre-engineered metal building for an indoor practice facility that will include a full-sized synthetic turf football field, a coach's tower, a training room, video recording platforms, lighting and sound systems, restrooms, and storage space. High ceilings will allow for special teams' work. The building will not be conditioned. The new building will include a Vertical-Rib, Sealed Joint, Standing-Seam Metal Roof Panel System that will come with a minimum 20-year material and workmanship warranty.

Rationale: Per the university, the football program currently has no adequate indoor practice location. An indoor practice facility will assist with alleviating conflicts among multiple sports for practice space which promotes student-athlete welfare by allowing more flexibility around student-athlete academic schedules. In inclement weather, this facility will enable consistency with practices and provide enhanced safety allowing practices to continue during inclement weather. Practice time is highly regulated by NCAA rules and is largely perishable. A lost practice cannot be made up without special waivers to rules. During off-peak usage it can be utilized by other athletic programs, club sports, as a campus gathering place for special events, and in extreme cases, provide another large scale local/regional asset for potential emergency management use.

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Facility Characteristics: The new 93,365 gross square foot indoor practice facility will be located south of Brooks Stadium. The facility will be used by approximately 100 football players and 35 coaching and support staff.

Financial Impact: This phase of the project will be funded from Other, Capital Project Reserve Funds (uncommitted balance \$8.59 million at April 19, 2023), and Donor Gifts (uncommitted balance \$15 million at April 19, 2023). Revenue to the Capital Project Reserve Fund is from a September 2019 redemption of outstanding Series 2010A General Obligation Bonds. The transaction was funded entirely by existing university resources and funds that would have been used to service this debt is collected into this account. The Chanticleer Athletic Foundation has secured donations restricted to this project. The project is expected to result in an increase of \$80,394 (year 1), and \$160,87 (years 2 thru 3), in annual operating expenditures. No student fees or tuition will be increased because of the project. A portion of tuition is designated for capital improvements, currently \$405 per student per semester, and has decreased from \$595 to \$405 for the academic years 2014-2015 to 2022-2023.

Full Project Estimate: \$20,000,000 (internal) funded by Capital Project Reserves and Donor Gift Funds. Contract execution is expected in October 2023 and completion of construction in January 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(f) Project: JBRC Item 6: University of South Carolina - Columbia
H27.6131: Thornwell College Maintenance Renovation

Request: Increase Phase II Full Construction Budget and Revise Scope to increase the proposed renovated area included for the renovation of the residential portion of the building.

Included in CIP: No – The project was not included in the 2022 CIP submission because the need to revise the scope and increase the budget was not determined until early 2023.

Phase I Approval: August 2019 (estimated at \$12,000,000) (SFAA)

Phase II Approval: June 2022 (estimated at \$12,590,000) (SFAA)

CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Maintenance Reserve	165,000	12,425,000	12,590,000	9,410,000	22,000,000
All Sources	<u>165,000</u>	<u>12,425,000</u>	<u>12,590,000</u>	<u>9,410,000</u>	<u>22,000,000</u>

Summary of Work: The project scope is being expanded to renovate the entire building, gutting and reconfiguring both the interior student residence areas and repurposing approximately 16,000 square feet of areas that have historically been used for administrative offices, and will now become student residences. The previously approved scope was limited to renovation of the residential portion of the building. The reconfiguration will convert the apartment-style units and offices to suite-style units and add approximately 79 beds within the existing building footprint. The renovation will replace all mechanical, plumbing, and electrical infrastructure. Additionally, a new generator will be provided to power life safety and emergency systems in Thornwell and the adjacent Maxcy College. Electronic access door hardware will be added to unit entrances to match university housing standards. The roof was surveyed and was determined to be in salvageable condition requiring only localized repairs. An approximately 1,696 square foot expansion will be constructed at the south façade to serve as a new main entrance and to create public space at each floor level. Other public spaces include new corridors, kitchens, egress stairs and a laundry. Exterior improvements will be executed at the south courtyard to remove the non-historic fire escape balconies and enhance accessibility. Patios will be created for exterior

AGENCY: Department of Administration, Executive Budget Office

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study and social space. Administrative staff that operates in the office portion of Thornwell will be relocated to available space elsewhere on campus.

Rationale: The revised scope will add another 61 student beds beyond the 78 beds that were programmed in the previously approved scope of work. Per the university, adding on-campus beds is a primary campus objective and responds to enrollment growth and high demand from students who wish to continue living on campus after their freshman year. The residence hall and office areas have not been renovated in decades and require systems replacement to enhance functionality and occupant comfort. The reconfiguration will update the unit style to suites that are deemed to be most beneficial to students and add beds in a desirable location near the campus core. Removing the fire escape balconies will improve building aesthetics, reduce maintenance, and be more sympathetic to the building's historic architectural character. The replacement of aged mechanical and electrical systems will reduce energy consumption and save utility cost, per the university.

Facility Characteristics: Thornwell College is 38,421 gross square feet and was constructed in 1913 (110 years old). After project completion, Thornwell College will be a total of 39,921 gross square feet. The building is proposed to have 139 student beds with the increased renovated area as requested. The building will be entirely utilized for student housing.

Financial Impact: This project will be funded from Other, Housing Maintenance Reserve Fund (uncommitted balance \$23.77 million at April 13, 2023). Revenue to the fund is generated from housing fees and revenues generated by laundry operations, conferences, and interest. The building will be designed to meet Two Green Globes certification standards with anticipated energy savings of \$661,202 over a 30-year period. The project is expected to result in a decrease of \$38,920 (year 1), \$39,477 (year 2), and \$40,056 (year 3), in annual operating expenditures. No student fees or tuition will be increased because of the project. A portion of tuition is designated for capital improvements, currently \$320 per student per semester, and has not increased for the academic years 2014-2015 to 2022-2023.

Full Project Estimate: \$22,000,000 (internal) funded by Housing Maintenance Reserve Funds. Contract execution is expected in April 2024 and completion of construction in July 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(g) Project: JBRC Item 8: University of South Carolina - Columbia
H27.6149: River Property Land Acquisition

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of four parcels of land totaling approximately 589 acres in Richland County.

Included in CPIP: Yes – 2022 CPIP Priority 15 of 15 in FY24 (estimated at \$3,000,000)
CHE Approval: 06/01/23

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

Rationale: Acquisition of the property will complete a long-term plan to use the proceeds from a previous sale of surplus land (The Wedge Property). Per the university, this property will more effectively serve the university mission. The property can support agricultural and archeological research, future recreation fields, passive forms of recreation such as hiking and camping, and land for other future development opportunities.

Characteristics: The four contiguous parcels are 547-acres, 5-acres, 25-acres and 12-acres, and are contiguous with, and surrounded by university property. There are no buildings located on the property.

Financial Impact: The 5-acre, 12-acre and 25-acre parcels are offered by the USC Development Foundation as a donation. The 547- acre parcel is offered by the USC Development Foundation for an undetermined purchase price, but is anticipated to be at least \$3,000,000, but less than \$3,300,000. The due diligence activities will be funded from Institutional Funds/Land Reserve Funds (uncommitted balance \$28.52 million/\$3.38 million, at April 19, 2023). Revenue to this fund is derived from tuition and fees, sales and services activities, and other miscellaneous sources. The project is expected to result in an increase of \$130,000 (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

AGENCY: Department of Administration, Executive Budget Office

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designated for capital improvements, currently \$320 per student per semester,
and has not increased for the academic years 2014-2015 to 2022-2023.

Full Project Estimate: \$3,000,000 to \$3,300,000 (internal) funded by Institutional/Land Reserve Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(h) Project: JBRC Item 9: University of South Carolina – Aiken
H29.9558: Softball Facility Construction

Request: Establish Phase II Full Construction Budget to create a basic softball field near the baseball stadium.

Included in CPIP: Yes – 2022 CPIP Priority 2 of 4 in FY23 (estimated at \$3,500,000)
Phase I Approval: March 2023 (estimated at \$2,600,000) (SFAA)
CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional	39,000		39,000	2,561,000	2,600,000
All Sources	<u>39,000</u>		<u>39,000</u>	<u>2,561,000</u>	<u>2,600,000</u>

Summary of Work: This project will create a basic softball field to include dugouts, bleachers for approximately 200 spectators, a ticket kiosk, lighting, and fencing for crowd control. As a cost savings measure, the existing scoreboard and batting cage will be relocated to the new facility. The buildings will include metal roofs that will come with a 20-year material and workmanship warranty. The existing softball field will be repurposed as the location of the new SC National Guard Cyber Center/DreamPort and Advanced Manufacturing Collaborative Building.

Rationale: Relocating the existing softball facility to the periphery of campus enables academic programs to be developed in the campus core.

Facility Characteristics: The new softball facility will include a softball field, dug outs with restrooms, fencing, and scoreboard. The alternates include field lighting, bleachers, press box, concessions and restrooms totaling 1,005 square feet. The new facility will accommodate approximately 200 spectators, and approximately 60 players and coaches.

Financial Impact: The project will be funded from Institutional Funds (uncommitted balance \$2.6 million at April 19, 2023). Institutional Funds are available to the university from a variety of sources including tuition and fees, sales and service activities, and other miscellaneous sources. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital

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improvements, currently \$12 per student per semester, and has not increased for the academic years 2014-2015 to 2022-2023.

Full Project Estimate: \$2,600,000 (internal) funded by Institutional Funds. The estimated cost to complete this project has decreased from the 2022 CPIP submission because the project scope was reduced to construct a basic softball competition facility. Future work may be funded with gifts or university funds to be allocated later and would include a press box and other enhancements to upgrade the softball facility. Contract execution is expected in October 2023 and completion of construction in June 2024.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(i) Project: JBRC Item 10: University of South Carolina – Upstate
H34.9555: Rampey Building Expansion and Renovation

Request: Establish Phase I Pre-Design Budget to construct an addition to the Rampey Building to accommodate the relocation and expansion of the Health Services Facility.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 4 in FY24 (estimated at \$2,500,000)
CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional Capital Project				37,500	37,500
All Sources				<u>37,500</u>	<u>37,500</u>

Summary of Work: This project will construct a 5,000 gross square foot addition that will include exam rooms, sick and well waiting rooms, triage space, laundry space, a nurse's station with lab, supply room, storage room, records rooms, administrative offices, and conference space. All roofing material options for the addition will be evaluated during the Phase I process. Minor interior modifications to the existing building will enable connectivity to the addition.

Rationale: Health Services is currently located on the opposite side of campus from most student housing and is in an older facility. Per the university, the Rampey Center is in a better location to serve the students campus life, but the existing facility is not adequate space for the entire Health Services team and the resources they provide. The expansion of the Rampey Building will enable the department to expand services to students and be closer in proximity to the majority of the residence halls.

Facility Characteristics: The current Health Services Facility is 2,400 gross square feet and was constructed in 1995 (28 years old). The existing Rampey Building is 7,172 square feet and was constructed in 1995 (28 years old). 95% of the existing building houses Counseling Services and 5% houses Health Services. The addition will house the Health Services functions being relocated from elsewhere on campus.

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SUBJECT: Permanent Improvement Projects

Financial Impact: The project will be funded from Other, Institutional Capital Project Funds (uncommitted balance \$11.60 million at April 19, 2023). Institutional Capital Project Funds are generated from the portion of tuition and fees designated for bond and renovation reserve. These funds pay debt service first and the remainder is used for capital improvements. The project is expected to result in an increase of \$7,250 (year 1), and \$14,500 (years 2 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 \$295 per student per semester, and has not increased for the academic years 2014-2015 to 2022-2023.

Full Project Estimate: \$2,500,000 (internal) funded by Institutional Capital Project Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (j) Project: JBRC Separate Item: Medical University of South Carolina
H51.9855: College of Medicine Office and Academic Building
- Request: Revise Scope and Establish Phase II Full Construction Budget to construct a seven story, approximately 187,000 gross square foot building at the corner of President and Bee Streets.
- Included in CPIP: Yes – 2022 CPIP Priority 7 of 11 in FY23 (estimated at \$150,000,000)
Phase I Approval: April 2022 (estimated at \$172,000,000) (SFAA)
CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Institution Bonds				85,000,000	85,000,000
FY22 Capital Reserve (22)				6,250,000	6,250,000
FY23 Capital Reserve (18)	3,440,000		3,440,000	25,000,000	25,000,000
Other, Clinical Revenue				51,310,000	54,750,000
Other, Gifts				20,000,000	20,000,000
Other, Deferred Maintenance				9,000,000	9,000,000
All Sources	<u>3,440,000</u>		<u>3,440,000</u>	<u>196,560,000</u>	<u>200,000,000</u>

Summary of Work: The project will construct a seven-story building of which more than 50% of the building will be medical teaching space including the majority of the first three stories. Floors 4-6 are faculty offices and support spaces to support students. Approximately 50% of the 7th floor will contain mechanical/electrical rooms with offices in the other half. The roof to be installed on the new building will be a Built-Up Roofing (BUR) Membrane system and will come with a minimum 20-year material and workmanship warranty. Additionally, the project will expand the existing Basic Science Building mechanical room (MRE) and install

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additional chill water capacity to supply the new College of Medicine Building needs. The new MRE square footage is approximately 6,000 gross square feet. The existing 6,984 square foot Vince Moseley Building will be demolished as part of this project.

Rationale: The new building will allow the College of Medicine to consolidate faculty, staff, and students at one location to improve efficiency, mentoring of students, and collaboration within the department, per the university.

Facility Characteristics: The new facility (which is not a replacement facility), will be approximately 187,000 gross square feet and will support the College of Medicine medical student education activities, to include classrooms, study space, relaxation and wellness areas, large auditorium, and programmatic teaching adjacencies. The College of Medicine Dean's Office, to include its education team, will be located in this space, to allow for enhanced access by medical students. A number of College of Medicine departments, comprised of faculty, staff, and trainees, will also be located within the proposed building. In responding to MUSC's master facility plan over the coming years, those academic departments may include the following: Anesthesia, Dermatology, Medicine, Neurology, Neurosurgery, Ob/GYN, Orthopedics, Otolaryngology, Pathology, Pediatrics, Radiology, Radiation Oncology, Surgery, and Urology. It is anticipated that approximately 1,075 faculty and staff will utilize the space on a regular basis, with additional faculty and staff utilizing the building on a more ad hoc basis. The current medical student enrollment is approximately 720, and there are approximately 816 resident physicians.

Financial Impact: This phase of the project will be funded from Institution Bonds (to be issued), FY22 & FY23 Capital Reserve (uncommitted balance \$31.25 million at April 19, 2023), Clinical Revenue (uncommitted balance \$54.75 million at April 19, 2023), Gifts and Donations (uncommitted balance \$20 million at April 19, 2023), and Deferred Maintenance Funds (uncommitted balance \$11 million at April 19, 2023). Revenue in the Clinical Revenue Fund is clinical revenues generated by patient services (College of Medicine). Revenue in the Deferred Maintenance (RCM) Fund is based on the adopted Responsibility Centered Management budgeting model. Under RCM a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$599,068 over a 30-year period. The project is expected to result in an increase of \$1,400,000 (year 1), and \$2,100,000 (years 2 thru 3), in annual operating expenses. MUSC does not charge a separate plant improvement fee to the students. No student fees or tuition will be increased as a consequence of the project.

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Full Project Estimate: \$200,000,000 (internal) funded by Institution Bonds, Capital Reserve, Clinical Revenues, Gifts, and Deferred Maintenance Funds. Contract execution is expected in August 2024 and completion of construction in October 2026.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

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

Request: Increase the Phase II Full Construction Budget to cover higher than anticipated costs to construct a six story, approximately 94,000 gross square foot building on President Street.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 11 in FY23 (estimated at \$50,000,000)
Phase I Approval: December 2021 (estimated at \$40,000,000) (SFAA)
Phase II Approval: November 2022 (estimated at \$50,000,000) (SFAA)
CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
State Institution Bonds		25,225,000	25,225,000	19,775,000	45,000,000
	600,000	4,400,000	5,000,000		5,000,000
Other, Institutional Capital Reserves		19,775,000	19,775,000	225,000	20,000,000
Other, CHP Clinical Reserves					
All Sources	<u>600,000</u>	<u>49,400,000</u>	<u>50,000,000</u>	<u>20,000,000</u>	<u>70,000,000</u>

Summary of Work: The building will be constructed north of the Bioengineering building. It will include 5,000 square feet of research space, teaching lab and multipurpose classroom spaces and a minimum of an additional 30 faculty and staff office and support space. The bottom four floors will be finished for immediate occupancy, the top two floors will be shell space for future College of Health Professions expansion. The roof to be installed will be a two-ply modified bitumen roof membrane system with a cover board and polyisocyanurate insulation over metal roof deck. The roof will come with a minimum 20-year material and workmanship warranty.

Rationale: The July 2022 schematic design cost estimate included in the Phase II request did not properly account for the unprecedented increases in subcontractor and materials pricing that have occurred over the last year. The current cost estimate from the Construction Manager at Risk is based on preliminary bidding form

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various strategic sub-contractors. The current estimate indicates construction cost is approximately \$19,000,000 higher than the previous Phase II estimate based on current cost conditions. There is a \$1,000,000 increase in professional services. The new facility is needed to support growth of the various academic programs within the College of Health Professions.

Facility Characteristics: The new facility will be 94,000 gross square feet and will support the Bachelor of Science in Healthcare Studies, Health Administration (Masters and Doctorate), Health Informatics, Doctor of Philosophy in Health and Rehabilitation Science, Cardiovascular Perfusion, Physician Assistant Studies, Anesthesia for Nurses, Speech Language Pathology, Physical Therapy, Occupational Therapy, and Proposed Genetic Counseling Program (pending CHE approval with potential start date of Fall 2023). Per the university, the current College of Health Professionals student body of approximately 800 students is expected to increase 20% over the next four years and is projected as follows: Physician Assistant Studies program, from 60 to 97 students; New Speech Language Pathology Program (first cohort of 43 students matriculated in Fall 2021); Proposal and development of a Genetic Counseling program. The facility will be accessible by students, faculty, staff and MUSC constituents.

Financial Impact: This phase of the project will be funded from Institution Bonds (to be issued), and College of Health Professional Clinical (CHP) Revenues (uncommitted balance \$33.7 million at April 20, 2023). Revenue to the CHP Clinical Reserves Fund is derived from clinical revenue generated by patient services. The project will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$675,464 over a 30-year period. The project is expected to result in an increase of \$631,000 (years 1 thru 3), in annual operating expenses. MUSC does not charge a separate plant improvement fee to the students. No student fees or tuition will be increased as a consequence of the project.

Full Project Estimate: \$70,000,000 (internal) funded by State Institution Bonds and CHP Clinical Revenues. Contract execution is expected in August 2023 with construction completion in June 2025.

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SUBJECT: Permanent Improvement Projects

- (l) Project: JBRC Separate Item: Medical University of South Carolina
H51.9875: Acquisition of College of Health Professions A, B, Ashley Rutledge
Garage and Donation of 12 Properties
- Request: Establish Preliminary Land Acquisition for the purpose of investigating the
acquisition of 9.185 acres and the College of Health Professions Buildings in
Charleston County.
- Included in CPIP: No – The project relies on a complex set of solutions addressing needs of the
University and Hospital, the pieces of which did not come together until recently.
- CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Project Reserves				260,000	260,000
All Sources				<u>260,000</u>	<u>260,000</u>

Rationale: The Charleston High School Development Company (a MUSC related entity) has and continues to ground lease CHP Buildings A, B, and the Ashley Rutledge Garage from the Foundation since November 2003. The lease between CHS Development Company and the Foundation does not contain reversion language. The university desires to acquire the CHP Buildings and 12 other properties from the Foundation to continue its use as academic, administrative and faculty office space and parking. This acquisition will relieve the encumbering debt on these properties and will allow the university to maintain control of critical pieces of its campus in perpetuity.

Characteristics: Rutledge 159-A (3 stories), is 38,474 gross square feet and was constructed in 2005 (18 years old). Rutledge 159-B (4 stories) is 42,380 gross square feet and was constructed in 2005 (18 years old). Ashley Rutledge Garage (9 stories/636 parking spaces) is 239,025 gross square feet and was constructed in 2005 (18 years old). The remaining 12 properties total 7.24 acres. These buildings total 136,269 square feet combined, and their age is unknown.

Financial Impact: The properties are offered by Medical University of South Carolina Foundation for the proposed purchase price of \$14,810,216. The due diligence activities will be funded from Capital Project Reserves (uncommitted balance \$10.21 million at

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April 11, 2023). Revenue to this fund is derived from prior capital investments set aside for major long-term investment projects or other anticipated capital expenses. 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. MUSC does not charge a separate plant improvement fee to the students. No student fees or tuition will be increased as a consequence of the project.

Full Project Estimate: \$14,810,216 (internal). Final Land Acquisition will be funded by Capital Project Reserves and Patient Fees.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(m)Project: JBRC Item 11: Tri-County Technical College
H59.6267: TCTC Pendleton Campus Pickens Hall Renovation

Request: Establish Phase I Pre-Design Budget to renovate Pickens Hall.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 2 in FY24 (estimated at \$12,000,000)
CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Accumulated Maintenance				240,000	240,000
All Sources				<u>240,000</u>	<u>240,000</u>

Summary of Work: The project will renovate existing classrooms, computer labs and offices making the classrooms and labs more efficient, functional, and optimal-sized. Life safety upgrades will be completed, including updating the fire protection and detection systems along with building circulation and access. Additionally, energy efficiency enhancements such as LED lighting, updated HVAC system, and tie-in to the college's existing chilled water plant will also be completed. For the building envelope, larger and additional windows will be installed, and brick joints will be repointed. For the building infrastructure, new underground sanitary sewer lines will be installed along with new electrical switchgear and IT cabling & infrastructure.

Rationale: The last capital invest in this building, excluding normal building maintenance, was completed in 2002. The renovation will allow for efficient space utilization & circulation and provide an active learning environment utilizing current technology and best practices, per the college.

Facility Characteristics: Pickens Hall is 40,232 square feet and was constructed in 1963 (60 years old). The building is utilized by approximately 800 students and 45 faculty/staff.

Financial Impact: This phase of the project will be funded from Other, Accumulated Maintenance Funds (uncommitted balance \$38.8 million at March 31, 2023). The project is expected to result in a decrease of \$29,674 (years 1 thru 3), in annual operating expenditures.

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Full Project Estimate: \$16,000,000 (internal). Phase II will be funded \$11,000,000 in Accumulated Maintenance and \$5,000,000 in Appropriated State (nonrecurring) Funds requested during the FY23-24 budget process. If the Appropriated State Funds are not received, the project will be fully funded with Accumulated Maintenance Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(n) Project: JBRC Item 16: Office of the Adjutant General
E24.9793, Armory Revitalization (Annualized)

Request: Increase the Phase II Full Construction Budget to cover additional cost for the final design of Laurens and Union, the construction of Laurens and Union, and the design of Wellford and Hartsville.

Included in CIP: Yes - 2022 CIP Priority 3 of 24 in FY23 (estimated at \$53,199,600)

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

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

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

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

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

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

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

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

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

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY16 Capital Reserve	5,000,000		5,000,000		5,000,000
FY19 Capital Reserve		3,000,000	3,000,000		3,000,000
Appropriated State, FY20 Proviso		3,050,000	3,050,000		3,050,000
118.16(B)(18)(b)			2,000,000		
		2,000,000			2,000,000
Appropriated State, FY22 Proviso					
118.18(B)(69)(b)				608,513	608,513

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Appropriated State, FY23 Proviso 118.19(B)(74)(A)				6,500,000	6,500,000
FY22 Appropriated State, Carryforward					
Federal, National Guard Bureau	5,500,000	10,874,600	16,374,600	7,108,513	16,374,600
Other, FY20 Armory Maintenance		500,000	500,000		500,000
All Sources	<u>10,500,000</u>	<u>19,424,600</u>	<u>29,924,600</u>	<u>14,217,026</u>	<u>44,141,626</u>

Summary of Work: The project was established to complete significant repairs at eleven (11) Readiness Centers (aka; Armories) that are in the worst conditions of disrepair of the 63 RCs and are chosen based on the A/E's assessment/design. The centers include Greenwood, Lancaster, Greenville, Florence, Sumter, Clemson, Laurens, Union, Hartsville, Easley and Wellford. Each of these facilities has varying issues that need to be repaired or renovated, but the major cost items include 1) Roof replacement or repairs. Roofs will be replaced at Florence, Sumter, Easley, Laurens, Clemson, Union, and Hartsville because each roof is approximately 40+ years old. Five armories have built-up bituminous roofing systems and two have standing seam metal roofs and all will be replaced with the same roofing material. All roofs will come with a minimum 20-year material and workmanship warranty. 2) HVAC systems maintenance and/or repairs. 3) Replacing existing exterior windows, doors, and storefront systems. 4) Interior renovations of latrines, kitchen, lighting, fire suppression, carpeting/flooring, painting of interior & exterior walls. 5) Electrical system upgrades. 6) Site improvements and repairs of parking lots, stormwater systems, security fencing, security lighting. 7) Foundation, structure, and exterior wall repairs.

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

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Facility Characteristics: Each armory is 45,000 to 65,000 square feet and was constructed in 1970 (53 years old). The agency has relocated and/or consolidated force structure to other RCs and closed the sub-standard RCs that could be closed. Each armory will be utilized by 300+ National Guardsman statewide.

Financial Impact: This increase will be funded with FY23 Appropriated State (nonrecurring) (uncommitted balance \$2.5 million at April 20, 2023), FY22 Appropriated State, Carryforward (uncommitted balance \$6.5 million at April 20, 2023), and Federal, National Guard Bureau Funds (uncommitted balance \$10 million at April 20, 2023). Revenue to this fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The Laurens and Union Armories are expected to result in a decrease of \$750 (years 1 thru 3) in annual operating expenditures.

Full Project Estimate: \$53,199,600 (internal) funded by Capital Reserve, Appropriated State, National Guard Bureau and Armory Maintenance Funds. Contract execution for Laurens is expected in July 2023 and completion of construction in July 2024. Contract execution for Union is expected in September 2023 and completion of construction in November 2024.

Other: 6 of 11 facilities (Greenwood/Lancaster/Greenville/Florence/Sumter/Easley) have been completed. Laurens and Union are currently in final design.

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SUBJECT: Permanent Improvement Projects

(o) Project: JBRC Item 19: Department of Mental Health
J12.9811: Waccamaw Center for Mental Health HVAC, Sprinkler, Fire Alarm
and Roof Replacement

Request: Establish Phase II Full Construction Budget to replace 25 HVAC units, HVAC
controls, sprinkler, fire alarm and roof at the Waccamaw Center for Mental
Health in Conway.

Included in CPIP: Yes – 2022 CPIP 6 of 48 in FY23 (estimated at \$1,920,000)

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

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	24,000		24,000	2,597,384	2,621,384
All Sources	<u>24,000</u>		<u>24,000</u>	<u>2,597,384</u>	<u>2,621,384</u>

Summary of Work: The project includes replacing the outside air and return dampers, ductwork, refrigerant lines, AHU's, condensers and HVAC controls. The gypsum board ceiling will be removed to allow access for fire sprinkler and HVAC replacement and installing new acoustical ceiling for better maintenance access. Additionally, the fire sprinkler system and fire alarm systems will also be replaced. The existing ceiling mounted fluorescent and incandescent light fixtures will be replaced with LED fixtures. The existing steep sloped shingle roof will be replaced with an architectural asphalt shingle roof system that will come with a minimum 20-year material and workmanship warranty. Due to the magnitude of the project, flooring replacement and wall refinishing will be included as an alternate option

Rationale: The mechanical equipment is original to the building, has outlived its lifespan, and is now becoming more and more costly to maintain. The shingle roof is also original to the building and has experienced multiple water intrusions and needs to be replaced. The sprinkler system has several leaks in the system and needs to be replaced.

Facility Characteristics: The Waccamaw Area Center for Mental Health is 33,326 square feet and was constructed in 1993 (30 years old). The center provides emergency services, case

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management, outpatient counseling and psychiatric treatment for children, adolescents, adults, and families in Georgetown, Horry, and Williamsburg Counties. The facility has 145 staff and sees 6,000 patients a year.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$20.88 million at April 14, 2023). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$3,000 (year 1), and \$2,500 (years 2 and 3) in annual operating expenditures.

Full Project Estimate: \$2,621,384 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in January 2024 and completion of construction in December 2024.

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SUBJECT: Permanent Improvement Projects

(p) Project: JBRC Item 21: Department of Mental Health
J12.9757: Roof and Sprinkler Replacement at Orangeburg Mental Health Center

Request: Increase Phase II Full Construction Budget and Revise Scope to add lighting upgrades, fire alarm system replacement, and the costs incurred as a result of multiple pipe breaks that resulted in water damage that occurred in December 2022.

Included in CPIP: No – The agency was not aware that an increase would be needed at the time of the 2022 CPIP submission.

Phase I Approval: August 2017 (estimated at \$500,000) (JBRC)

Phase II Approval: December 2017 (estimated at \$575,000) (JBRC)

Revise Scope Approval: May 2019 (estimated at \$575,000) (Admin)

Phase II Increase &

Revise Scope Approval: December 2019 (estimated at \$900,000)

Phase II Increase,

Revise Scope, &

Change Project Name

Approval: December 2021 (estimated at \$1,575,000) (SFAA)

Phase II Increase

Approval: June 2022 (estimated at \$1,835,091) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	7,500	1,827,591	1,835,091	242,828	2,077,919
All Sources	<u>7,500</u>	<u>1,827,591</u>	<u>1,835,091</u>	<u>242,828</u>	<u>2,077,919</u>

Summary of Work: This project was established to replace the existing 20-year-old asphalt shingle roof over a plywood deck. The roof was replaced with 50-year shingles and included a 20-year manufacturer's warranty. In December 2021 a scope revision was approved to add the replacement of the entire sprinkler system. This scope revision request will add lighting upgrades, fire alarm system replacement, and the costs incurred as a result of multiple pipe breaks that resulted in water damage that occurred in December 2022.

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Rationale: After the bid was awarded for the sprinkler replacement project, additional funds were available. The lighting improvements and Fire Alarm were going to be separate projects but since there was enough money left over, it was decided to include them in the change order. As a result of the water damage, the agency is working with the adjusters and the Insurance Reserve Fund for the full cost to repair the flooring and sheetrock removed during the water remediation. Since there will be a General Contractor on site and funds from the Insurance claim, it also made sense to include the December water damage repairs in the project. By including the water damage repair with the project, it avoided having 2 contractors working in one space at the same time.

Facility Characteristics: The facility is 25,595 square feet and was constructed in 1998 (25 years old). It houses the general administration for all facilities and the following support services: Child, Adolescent and Family Clinic Based Services, School Based Services when out of school; ACT Like Teams; Crisis Intervention, Diversion and After Hours Teams; Clinical Intake Team; Adult Short Term Outpatient; Adult Assertive Case Management; Peer Support Team; State Care Coordination Team; Vocational Rehabilitation Representative; TLC, Residential and Homeshare Teams; Medication Clinic with Nurses; Psychiatric Clinic with Doctors and Tele-psychiatry. There is a total of 59 staff members who provide a total of 30,774 services to 1,096 clients on average a year.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$22 million at March 14, 2023). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$5,000 (year 1), and \$10,000 (years 2 thru 3), in annual operating expenditures. The agency has received a partial payment of \$120k for the repair of the water damage from the Insurance Reserve Fund and are seeking an additional \$65k to help cover the full amount of the repair.

Full Project Estimate: \$2,077,919 (internal) funded by Capital Improvement & Maintenance Funds. Construction completion is anticipated in October 2023.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(q) Project: JBRC Item 22: Department of Mental Health
J12.9804: Morris Village Fire Alarm Replacement

Request: Increase Phase II Full Construction Budget to cover higher than anticipated bid costs to upgrade the fire alarm system at Morris Village.

Included in CIP: No – The need to increase the project budget was unknown at the time of the 2022 CIP submission.

Phase I Approval: October 2021 (estimated at \$490,000) (JBRC)

Phase II Approval: January 2022 (estimated at \$615,000) (JBRC)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	7,350	607,650	615,000	594,070	1,209,070
All Sources	<u>7,350</u>	<u>607,650</u>	<u>615,000</u>	<u>594,070</u>	<u>1,209,070</u>

Summary of Work: The project will replace the existing analog phone line system with a new cellular dialer system. The project includes replacing panels, sensors, cellular dialers, etc.

Rationale: The current Simplex Fire Alarm panels have been discontinued and have not been supported since 2017. Due to the age of the system, replacement or compatible parts are becoming difficult to source. By upgrading the campus fire alarm system, the agency can ensure a fast accurate response from the fire department in the event of an emergency.

Facility Characteristics: The Morris Village Alcohol and Drug Addiction Treatment Center is located on the Crafts Farrow State Hospital Campus in Columbia. The 32 buildings total 89,191 square feet and were constructed in 1975 (48 years old). The existing fire alarm panels were installed in the early 2,000s. The campus houses 130 staff and currently serves 60 patients at a time. Annually, 1,200 patients are rehabbed at the campus.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$22 million at March 14, 2023). Revenue to this

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,209,070 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in June 2023 with construction completion in May 2022.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(r) Project: JBRC Item 24: Department of Corrections
N04.9796: Lee Engineering Room Upgrades

Request: Establish Phase I Pre-Design Budget to replace water heating units in 14 building mechanical rooms at Lee Correctional Institution.

Included in CPIP: No – Due to a shortage of maintenance personnel at Lee CI since COVID, the need for this project was not communicated until recently.

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				30,679	30,679
All Sources				<u>30,679</u>	<u>30,679</u>

Summary of Work: The project will hire a contractor to remove existing piping, demo boilers and pumps, replace water heaters, and replace all electrical wiring in the building mechanical rooms.

Rationale: The heating units are not functioning properly due to age, leaking water from corroded pipes, pumps and heat systems. Existing systems are outdated, and parts are no longer available.

Facility Characteristics: Lee Correctional Institution totals 505,194 square feet and was constructed in 1992 (31 years old) The 14 engineering rooms are 150 square foot each, totaling 2,100 square feet. They are used to house the utilities for operation of the buildings at Lee Correctional Institution. The correctional institution houses approximately 1,270 inmates and has an average of 250 staff members.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$37.11 million at April 12, 2023). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$2,283,548 (internal) funded by Appropriated State, Operating Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(s) Project: JBRC Item 25: Department of Corrections
N04.9788: Agency Proprietary Fire Alarm Monitoring Station/Emergency Response Center

Request: Establish Phase I Full Construction Budget to construct a Proprietary Fire Alarm Monitoring Stations and Emergency Response Center.

Included in CPIP: Yes – 2022 Priority 2 of 7 in FY24 (estimated at \$8,000,000)
Phase I Approval: December 2022 (estimated at \$8,000,000) (SFAA)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating	120,000		120,000	7,880,000	8,000,000
All Sources	<u>120,000</u>		<u>120,000</u>	<u>7,880,000</u>	<u>8,000,000</u>

Summary of Work: The project will construct an approximately 8,156 square foot single story brick and load bearing masonry wall supporting open web with metal trusses with 4” concrete slab on top of the metal decking roof. The roof to be installed will be 60 mil TPO on top of R38 Insulation and 4” light weight concrete with metal decking. The roof of the building will be flat and tapered insulation sloped to runoff to the roof drains. The roof will come with a minimum 20-year material and workmanship warranty. The building will include 10 offices, 1 conference room and 1 computer room. In the center of the building is a great room about 2,000 SQ FT with monitoring stations and multiple monitors overlooking all SCDC institutional cameras and fire alarms. The building is fully sprinkled and has a backup generator for power.

Rationale: This centralized facility will monitor the day-to-day operations of every institution in the state, including the monitoring of the fire alarms and video surveillance. In addition to being a central facility to coordinate a response in the event of an emergency within the agency, this building will incorporate other emergency/security functions which are currently housed in a separate building that does not meet the requirements for a proprietary fire alarm monitoring station due to the type of construction. As the agency updates its fire alarm systems it is no longer able to monitor the fire alarm system in the control rooms due to changes in code.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Facility Characteristics: The approximately 8,245 square foot building to be constructed will support the entire agency to include all 21 correctional institutions and all support buildings throughout the state. This building will replace an emergency action center, which will be repurposed into office space after this new building is constructed. The new building will have approximately 11 employees per shift and will serve the entire agency which has approximately 4,000 employees and 16,000 inmates.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$37.11 million at April 12, 2023). The project is expected to result in an increase of \$11,638 (year 1), and \$23,275 (years 2 thru 3), in annual operating expenditures.

Full Project Estimate: \$8,000,000 (internal) funded by Appropriated State, Operating Funds. Contract execution is expected in October 2023 with construction completion in November 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(t) Project: JBRC Item 26: Department of Corrections
N04.9790: Statewide Fire Alarm Upgrades

Request: Establish Phase II Full Construction Budget to upgrade the fire alarm systems at Broad River, Ridgeland and Allendale Correctional Institutions.

Included in CIP: Yes – 2022 Priority 3 of 7 in FY24 (estimated at \$9,000,000)
Phase I Approval: December 2022 (estimated at \$9,000,000) (SFAA)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating	135,000		135,000	8,948,184	9,083,184
All Sources	<u>135,000</u>		<u>135,000</u>	<u>8,948,184</u>	<u>9,083,184</u>

Summary of Work: The project will repair and replace fire alarms, and make any related repairs and upgrades required for the new fire alarm system to operate. This work will be completed by an electrical/fire alarm contractor.

Rationale: The upgrades will increase fire life safety and operations in these correctional institutions. The existing fire alarm systems at these institutions are obsolete and spare parts are increasingly difficult to obtain to repair the systems.

Facility Characteristics: Broad River Correctional Institution is approximately 442,092 square feet and the fire alarm system was installed in 1985 (38 years old). This institution has an operating capacity of 1,529 inmates and currently has 196 staff. Ridgeland Correctional Institution is approximately 373,716 square feet and the fire alarm system was installed in 2007 (16 years old). This institution has an operating capacity of 1,094 inmates and currently has 109 staff. Allendale Correctional Institution is approximately 291,199 square feet and the fire alarm system was installed in 2002 (21 years old). This institution has an operating capacity of 1,103 inmates and currently has 142 staff.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$37.11 million at April 12, 2023). The project is not expected to result any change in annual operating expenses.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Full Project Estimate: \$9,083,184 (internal) funded by Appropriated State, Operating Funds. Contract execution is expected in October 2023 with construction completion in December 2028.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(u) Project: Department of Corrections
N04.9791: Statewide HVAC Controls Replacement

Request: Establish Phase II Full Construction Budget to replace HVAC controls at Lee, Ridgeland and Turbeville Correctional Institutions.

Included in CIP: Yes – 2022 Priority 1 of 7 in FY24 (estimated at \$10,000,000)
Phase I Approval: December 2022 (estimated at \$10,000,000) (SFAA)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating	150,000		150,000	10,025,000	10,175,000
All Sources	<u>150,000</u>		<u>150,000</u>	<u>10,025,000</u>	<u>10,175,000</u>

Summary of Work: The project will consist of changing supply water and return water sensors, chilled water and hot water control valves, actuators, control panels, wiring and upgraded software and monitors to control the heating and cooling at Lee, Ridgeland and Turbeville.

Rationale: The HVAC controls are original to the institutions and are outdated and obsolete. Due to their age these systems are in poor shape and replacement parts and manufacturer support are increasing in cost and becoming harder to acquire, per the agency.

Facility Characteristics: Lee Correctional Institution is approximately 505,194 square feet and was constructed in 1993 (30 years old). This institution has an operating capacity of 1,358 inmates and currently has 167 staff. Ridgeland Correctional Institution is approximately 373,716 square feet and was constructed in 1995 (28 years old). This institution has an operating capacity of 1,094 inmates and currently has 109 staff. Turbeville Correctional Institution is approximately 428,630 square feet and was constructed in 1994 (29 years old). This institution has an operating capacity of 1,546 inmates and currently has 167 staff.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$37.11 million at April 12, 2023). The project is expected

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

to result in a decrease of \$70,000 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$10,175,000 (internal) funded by Appropriated State, Operating Funds. Contract execution is expected in October 2023 with construction completion in December 2027.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(v) Project: JBRC Item 28: Clemson University - PSA
P20.9568: Poultry Science Research Facility Construction

Request: Establish Phase I Pre-Design Budget to construct a Poultry Science Research Facility near Clemson's main campus.

Included in CIP: Yes – 2022 Priority 8 of 8 in FY23 (estimated at \$5,375,000 – this component estimated at \$5,125,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY23 Proviso 118.19, (B) (42) (c)				85,350	85,350
All Sources				<u>85,350</u>	<u>85,350</u>

Summary of Work: The project will construct a new facility that will include a poultry grower layer and intensive research facilities located on the grounds of the recently decommissioned swine farm. The existing facility is being demolished as part of a separate project (P20-9566).

Rationale: This new facility will allow for expansion of the poultry research capacity while capitalizing on existing swine facility utilities and infrastructure.

Facility Characteristics: The existing facilities at the Morgan Poultry Center were constructed prior to or during the 1970's (53 years old). They do not provide environments that replicate current commercial poultry operations, making research more labor intensive and less applicable to commercial growers. The new poultry research center will be constructed on the Piedmont Research and Education Center main campus, on the Starkey Swine Center site after demolition of the existing facilities. The facility will be used to conduct multi-disciplinary research. The facility. All facilities will be fitted with state-of-the-art lighting, feeding, and ventilation systems, allowing faculty to simulate various industry-relevant conditions. The total square footage of the new facility will be determined during the Phase I process. The facilities will be used by students, faculty and staff of PSA's Piedmont Research and Education Center.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Financial Impact: This phase of the project will be funded from Appropriated State (nonrecurring) Funds (uncommitted balance \$1.125 million at May 11, 2023). The project is expected to result in a decrease in annual operating expenditures, but those amounts have not yet been determined.

Full Project Estimate: \$5,690,000 (internal). Phase II will be funded by \$1,039,650 in FY23 Appropriated State (nonrecurring) Funds, and by \$4,565,000 in Appropriated State (nonrecurring) funds being requested in the FY23-24 Budget process.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(w)Project: JBRC Item 29: Department of Natural Resources
P24.6080: Pickens – Pickens County Range Improvements

Request: Establish Phase I Pre-Design Budget to renovate the existing Pickens County Shooting Range northeast of Liberty in Pickens County.

Included in CPIP: Yes – 2022 Priority 31 of 51 in FY23 (estimated at \$1,000,000)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY23 Proviso 118.19, (B) (44) (g)				37,500	37,500
All Sources				<u>37,500</u>	<u>37,500</u>

Summary of Work: The project includes lead reclamation on all affected areas, reconstructing the 100 yard rifle range, including higher containment and impact berms along with a new covered shooting line, new 5 stand shotgun range with covered firing line, addition of a Trap field, renovation of the archery range, new multi-use storage/office/restroom building including utilities, paved parking area, constructing ADA accessibility throughout and associated items needed to improve safety and function. All range design components will meet or exceed those set by the National Rifle Association.

Rationale: Most of the amenities have outlived their useful life and the entire facility needs a complete renovation and expansion to accommodate the increasing demand for shooting sports and to provide improvements for ADA accessibility, improved safety, and functionality, per the agency.

Facility Characteristics: The Pickens County Range is comprised of a 10 position 10-yard rifle range, 12 position 25-yard pistol range, archery range and open field for shotgun sports, and was constructed in 1987 (36 years old). The 2,400 square foot open sided rifle range building, and 1,500 square foot office/storage/bathroom building will be renovated. The range receives an average of 12,000 visitors annually.

Financial Impact: This phase of the project will be funded from Appropriated State (nonrecurring) Funds (uncommitted balance \$250K at April 5, 2023). The project is expected to

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

result in an increase of \$581 (year 1), and \$700 (years 2 thru 3), in annual operating expenditures.

Full Project Estimate: \$2,500,000 (internal). Phase II will be funded by \$212,500 in FY23 Appropriated State (nonrecurring) Funds, and by \$2,250,000 in Federal, US Fish & Wildlife Grant Funds.

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

Project List: SFAA Items - June 28, 2023

SFAA Items - June 28, 2023

SFAA Item	JBRC Item2	Agency Code	Agency Name	Project ID	Project Name	Action Proposed	Included in CIP?*	Current Budget	Requested Change	Phase I	Total Phase II Budget	SOF (excludes proposed Phase II if currently seeking Phase I)	Notes
(a)	1	H12	Clemson University	9956	Tillman Hall Auditorium Renovation	Establish Phase II	Yes	230,000	11,270,000	230,000	11,500,000	Other - Maintenance & Stewardship	Approved by CHE on 06/01/23
(b)	2	H15	College of Charleston	9681	Grice Marine Lab Annex Renovation	Establish Phase I	Yes	-	142,500	142,500	5,700,000	Other - Capital Improvement Project	Approved by CHE on 06/01/23
(c)	3	H15	College of Charleston	9682	School of Education Exterior Repairs	Establish Phase I	Yes	-	55,500	55,500	2,220,000	Other - Capital Improvement Project	Approved by CHE on 06/01/23
(d)	4	H15	College of Charleston	9683	Sottile Theatre Envelope, Safety, and HVAC Upgrades	Establish Phase I	Yes	-	130,000	130,000	5,200,000	Other - Capital Improvement Project	Approved by CHE on 06/01/23
(e)	5	H17	Coastal Carolina University	9624	Indoor Practice Facility Construction	Establish Phase II	Yes	375,000	19,625,000	375,000	20,000,000	Other - Capital Project Researves / Other - Donor Gifts	Approved by CHE on 06/01/23
(f)	6	H27	University of South Carolina - Columbia	6131	Thornwell College Maintenance Renovation	Phase II Increase & Revise Scope	No	12,590,000	9,410,000	165,000	22,000,000	Other - Housing Maintenance Reserve	Approved by CHE on 06/01/23
(g)	8	H27	University of South Carolina - Columbia	6149	River Property Land Acquisition	Preliminary Land Acquisition	Yes	-	20,000	20,000	3,300,000	Other - Institutional/Land Reserve	Approved by CHE on 06/01/23
(h)	9	H29	University of South Carolina - Aiken	9558	Softball Facility Construction	Establish Phase II	Yes	39,000	2,561,000	39,000	2,600,000	Other - Institutional	Approved by CHE on 06/01/23
(i)	10	H34	University of South Carolina - Upstate	9555	Rampey Building Expansion and Renovation	Establish Phase I	Yes	-	37,500	37,500	2,500,000	Other - Institutional Capital Project	Approved by CHE on 06/01/23
(j)	sep	H51	Medical University of South Carolina	9855	College of Medicine Office and Academic Building	Establish Phase II & Revise Scope	Yes	3,440,000	196,560,000	3,440,000	200,000,000	Institution Bonds / FY22 & FY23 Capital Reserve / Other - Clinical Revenue / Other - Gifts / Other - Deferred Maintenance	Approved by CHE on 06/01/23
(k)	sep	H51	Medical University of South Carolina	9854	College of Health Professions President Street Academic Building	Phase II Increase	Yes	50,000,000	20,000,000	600,000	70,000,000	Institution Bonds / Other - Institutional Capital Reserves / Other - CHP Clinical Reserves	Approved by CHE on 06/01/23
(l)	sep	H51	Medical University of South Carolina	9875	Acquisition of College of Health Professions A, B, Ashley Rutledge Garage and Donation of 12 Properties	Preliminary Land Acquisition	No	-	20,000	20,000	148,410,216	Other - Capital Project Reserves	Approved by CHE on 06/01/23
(m)	11	H59	Tri-County Technical College	6267	Pendleton Campus Pickens Hall Renovation	Establish Phase I	Yes	-	240,000	240,000	16,000,000	Other - Accumulated Maintenance	Approved by CHE on 06/01/23
(n)	16	E24	Office of the Adjutant General	9793	Armory Revitalization (Annualized)	Phase II Increase	Yes	29,924,600	14,217,026	-	53,199,600	FY16 & FY19 Capital Reserve / FY20, FY22 & FY23 Appropriated State (nonrecurring) / Federal - National Guard Bureau / FY20 Armory Operations	
(o)	19	J12	Department of Mental Health	9811	Waccamaw Center for Mental Health HVAC, Sprinkler, Fire Alarm and Roof Replacement	Establish Phase II	Yes	24,000	2,597,384	24,000	2,621,384	Other - Capital Improvement & Maintenance	
(p)	21	J12	Department of Mental Health	9757	Roof and Sprinkler Replacement at Orangeburg Mental Health Center	Phase II Increase & Revise Scope	No	1,835,091	242,828	7,500	2,077,919	Other - Capital Improvement & Maintenance	
(q)	22	J12	Department of Mental Health	9804	Morris Village Fire Alarm Replacement	Phase II Increase	No	615,000	594,070	7,350	1,209,070	Other - Capital Improvement & Maintenance	
(r)	24	N04	Department of Corrections	9796	Lee Engineering Room Upgrades	Establish Phase I	No	-	30,679	30,679	2,283,548	Appropriated State - Operating	
(s)	25	N04	Department of Corrections	9788	Agency Proprietary Fire Alarm Monitoring Station/Emergency Response Center	Establish Phase II	Yes	120,000	7,880,000	120,000	8,000,000	Appropriated State - Operating	
(t)	26	N04	Department of Corrections	9790	Statewide Fire Alarm Upgrades	Establish Phase II	Yes	135,000	8,948,184	135,000	9,083,184	Appropriated State - Operating	
(u)	27	N04	Department of Corrections	9791	Statewide HVAC Controls Replacement	Establish Phase II	Yes	150,000	10,025,000	150,000	10,175,000	Appropriated State - Operating	
(v)	28	P20	Clemson University PSA	9568	Poultry Science Research Facility Construction	Establish Phase I	Yes	-	85,350	85,350	5,690,000	Appropriated State - FY23 Proviso 118.19 (B) (42) (c)	
(w)	29	P24	Department of Natural Resources	6080	Pickens - Pickens County Range Improvements	Establish Phase I	Yes	-	37,500	37,500	2,500,000	Appropriated State - FY23 Proviso 118.19 (B) (42) (g)	

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 28, 2023

Regular Agenda

1. Submitted By:

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


Mike Shealy, Executive Budget Office

2. Permanent Improvement Projects

3. Summary Background Information:

- (a) Project: JBRC Item 1: Clemson University
H12.9956: Tillman Hall Auditorium Renovation
- Request: Establish Phase II Full Construction Budget to renovate the auditorium in the historic Tillman Hall to create a major gathering space in the heart of campus.
- Included in CPIP: Yes – 2022 CPIP Priority 7 of 9 in FY23 (estimated at \$11,500,000)
Phase I Approval: April 2022 (estimated at \$11,500,000) (SFAA)
CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Maintenance & Stewardship	230,000		230,000	11,270,000	11,500,000
All Sources	<u>230,000</u>		<u>230,000</u>	<u>11,270,000</u>	<u>11,500,000</u>

Summary of Work: The work will include renovating the approximately 13,165 square foot auditorium to make it function as both a large scale, 600-seat classroom and an auditorium. It will also include installing new restrooms in a portion of the existing main building, returning the stage to a more manageable scale, creating back-of-house spaces for guest lecturers and performers, and opening the space to more natural light. The renovation will further address planned maintenance, including replacing fan coil units and lighting, upgrading some interior finishes, and upgrading the fire protection and electrical systems.

Rationale: Tillman Hall has not been renovated since 1981 (42 years ago). Per the university, the auditorium is not suitable for classroom instruction or for hosting campus speakers for students, faculty and staff. The large stage for theatrical productions is no longer needed and reducing the stage will provide more seating opportunities. The renovation will also allow for upgrading the auditorium to current ADA standards. With this renovation, the auditorium will become the largest teaching auditorium on campus.

Facility Characteristics: Tillman Auditorium is 95,700 square feet and was constructed in 1893 (130 years old) as the campus chapel. It was expanded in 1924 (99 years ago), to reorient the stage and add balconies. Tillman Hall was last renovated in 1981 (42 years ago). This renovation will return the space to the original design and provide approximately 600 seats to serve large classes and special events on campus. Tillman Hall will serve more than 5,000 students per week for instructional activities, which may increase due to the increased capacity provided by the renovation, per the university. Additionally, the space will be used for special events in the evenings for guest speakers, small concerts, award ceremonies, and seminars with seating up to 600 seats.

Financial Impact: This project will be funded from Other, Maintenance & Stewardship Funds (uncommitted balance \$23.18 million at April 11, 2023) Revenue to the fund is generated from tuition, matriculation and other debt retirement and plant transfer revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has increased from \$738 to \$1,005 for the academic years 2014-2015 to 2022-2023. \$380 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$11,500,000 (internal) funded by Maintenance & Stewardship Funds. Contract execution is expected in August 2023 and completion of construction in December 2024.

(b) Project: JBRC Item 2: College of Charleston
H15.9681: Grice Marine Lab Annex Renovation

Request: Establish Phase I Pre-Design Budget to address structural issues.

Included in CPIP: Yes – 2022 CPIP Priority 2 of 7 in FY24 (estimated at \$3,622,500)
CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project				142,500	142,500
All Sources				<u>142,500</u>	<u>142,500</u>

Summary of Work: The project will address structural issues including extensively damaged sill plates and chimneys. Asbestos and lead-based paint will be abated. Wall systems and exterior siding will be repaired. Windows, doors, mechanical, electrical, plumbing and fire life safety systems will be replaced. Major ADA and building code issues will be addressed. Interior reconfigurations and finish updates will also be completed.

Rationale: Much of the infrastructure is original to the building. Air conditioning is currently supplied through window units, leading to indoor air quality issues. Per the college, windows, doors, and lapboard siding are falling into disrepair. Sill plate replacements are crucial to the building's structural health.

Facility Characteristics: Grice Marine Lab Annex is 7,144 gross square feet and was constructed in 1932 (91 years old). The last renovation was completed in 1987 (36 years ago). The one-level historic building is on James Island. It was constructed as a federal quarantine hospital and the college secured ownership in partnership with MUSC in 1952 (71 years ago). The facility now serves as a core facility in support of approximately 400 undergraduate majors and 55 graduate students in pursuit of a BS or MS degree in Marine Biology, as well as faculty and student independent research.

Financial Impact: This project will be funded from Other, Capital Improvement Project Funds (uncommitted balance \$44.13 million at April 4, 2023). Revenue to this fund is generated by the Capital Improvement Fee that exceeds current annual debt service related to bonds. The project is expected to result in a decrease of \$6,200 (year 1), \$6,386 (year 2), and \$6,578 (year 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has increased from \$781 to \$906 for the academic years 2014-2015 to 2022-2023. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$5,700,000 (internal) funded by Capital Improvement Project Funds. The Phase I amount requested is 2.50% of the total estimated cost to complete the project because the procurement method will be Design-Bid-Build. The additional funds will be used to cover overhead costs to solicit and retain a contracting partner earlier in the process than the usual Design-Building process.

(c) Project: JBRC Item 3: College of Charleston
H15.9682: School of Education Exterior Repairs

Request: Establish Phase I Pre-Design Budget to make interior and exterior repairs to the building.

Included in CPIP: No – This project was estimated to be less than \$2 million and therefore not included in the 2022 CPIP submission.

CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project				55,500	55,500
All Sources				<u>55,500</u>	<u>55,500</u>

Summary of Work: The project will repair and/or replace windows, doors, roof, siding and moldings on the addition portion of the building. The entry courtyard will be regraded to divert stormwater away from the building. Light repairs will be completed on the original building as needed. Additionally, repairs will be completed for damaged sheetrock and ceiling tiles due to water intrusion. All roofing material options will be evaluated during the Phase I process.

Rationale: A September 2022 building envelope assessment by REI Engineers showed the modified bitumen surface ply roof exhibited granular loss, early cracking, open laps, and improper terminations. Nine roof leaks were observed and traced back to improper sealing of roof drains and HVAC piping. Wood siding and penetrations within were unsealed or improperly sealed. Gaps were observed in siding and window sheet metal flashings and end dams at sills and corners were missing. Sealant was missing between the windowsill and wooden sub sill directly below, causing sagging and negative drainage slope. The assessment also showed that the windows are not defective, and the water intrusion issues appear to be due to incorrect installation of flashing. Additionally, a roof assessment cited improper flashing. The membrane remains intact but select areas improperly flashed show minimal building infiltration. Nonhistorical doors and moldings have deteriorated due to incorrect installation of flashing. The siding was originally specified as cementitious planks but prohibited by the City Board of Architectural Review. Treated pine was used instead and due to questionable installation, some boards have rotted from improper caulking and warping.

Facility Characteristics: The original School of Education Building is 7,700 gross square feet and was constructed in 1875 (148 years old). The last significant renovation occurred in 2007. A 21,000 gross square foot addition to the building was constructed in 2007 (16 years old). The building houses the School of Education offices, Department of Teacher Education, Office of Student Services and Credentialing, Office of Professional Development in Education, Alumni Center, and the Jeremy Warren Vann Teacher Education Center. Approximately 1,170 undergraduate students, 760 graduate students, 23 faculty, 22 staff and clients, visitors, and parents, utilize the facility regularly.

Financial Impact: This project will be funded from Other, Capital Improvement Project Funds (uncommitted balance \$44.13 million at April 4, 2023). Revenue to this fund is generated by the Capital Improvement Fee that exceeds current annual debt service related to bonds. The project is expected to result in a decrease of \$2,100 (year 1), \$2,163 (year 2), and \$2,228 (year 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has increased from \$781 to \$906 for the academic years 2014-2015 to 2022-2023. \$622 of the \$906 is currently pledged for debt

service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$2,220,000 (internal) funded by Capital Improvement Project Funds. The Phase I amount requested is 2.50% of the total estimated cost to complete the project because the procurement method will be Design-Bid-Build. The additional funds will be used to cover overhead costs to solicit and retain a contracting partner earlier in the process than the usual Design-Building process.

Other: A claim has not been filed with the Insurance Reserve Fund. The college intends to confer with their in-house counsel to explore litigation options. Per the college, the general contractor for the addition cannot be reached and appears to be out of business.

(d) Project: JBRC Item 4: College of Charleston
H15.9683: Sottile Theatre Envelope, Safety, and HVAC Upgrades

Request: Establish Phase I Pre-Design Budget to address moisture infiltration in the theatre.

Included in CPIP: Yes – 2022 CPIP Priority 7 of 9 in FY23 (estimated at \$5,200,000)
CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project				130,000	130,000
All Sources				<u>130,000</u>	<u>130,000</u>

Summary of Work: The project will address moisture infiltration in at least 12 documented areas, structural reinforcements over the audience section, life safety upgrades and HVAC system replacement. A comprehensive building envelope assessment was completed in May 2021 and recommends 1) repairs to exterior brick, stucco, concrete coping/ornamentation, coatings, penetrations, fenestrations, metal/clay-tile roofs and historic entrance canopies. 2) replacements of exterior wall sealant system, low-slope roofs, pop-up/penthouse roofs, siding, and wood windows. 3) structural reinforcement of original steel roof trusses to account for current structural load; preparation, priming, and painting of various exterior metal surfaces. 4) replacement of wood “catwalk” walkways above audience seating with code-compliant metal systems for lighting and HVAC equipment access. All roofing material options will be evaluated during the Phase I process.

Rationale: Building envelope issues are allowing water intrusion from the roof, exterior walls and basement foundation. As a historically protected building, demolition is not an option.

Facility Characteristics: The Sottile Theatre is 59,081 gross square feet and was constructed in 1927 (96 years old). The attic level containing the catwalks is approximately 20,000 gross square feet. All other renovations apply to the exterior of the building. The theatre is utilized by the entire campus community including student programming, student organizations, and academic departments. In addition to internal college use, the theatre hosts local, regional, and national performances and is one of the primary venues for the Spoleto Arts Festival. The facility averages 623 patrons per event and serves approximately 43,000 patrons a year.

Financial Impact: This project will be funded from Other, Capital Improvement Project Funds (uncommitted balance \$44.13 million at April 4, 2023). Revenue to this fund is generated by the Capital Improvement Fee that exceeds current annual debt service related to bonds. The project is expected to result in a decrease of \$9,000 (year 1), \$9,270 (year 2), and \$9,548 (year 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has increased from \$781 to \$906 for the academic years 2014-2015 to 2022-2023. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$5,200,000 (internal) funded by Capital Improvement Project Funds. The Phase I amount requested is 2.50% of the total estimated cost to complete the project because the procurement method will be Design-Bid-Build. The additional funds will be used to cover overhead costs to solicit and retain a contracting partner earlier in the process than the usual Design-Building process.

(e) Project: JBRC Item 5: Coastal Carolina University
H17.9624: Indoor Practice Facility Construction

Request: Establish Phase II Full Construction Budget to construct an indoor practice facility.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 4 in FY23 (estimated at \$15,000,000)

Phase I Approval: June 2022 (estimated at \$15,000,000) (SFAA)

CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Project Reserves	375,000		375,000	4,625,000	5,000,000
Other, Donor Gifts				15,000,000	15,000,000
All Sources	<u>375,000</u>		<u>375,000</u>	<u>19,625,000</u>	<u>20,000,000</u>

Summary of Work: The project will construct a pre-engineered metal building for an indoor practice facility that will include a full-sized synthetic turf football field, a coach's tower, a training room, video recording platforms, lighting and sound systems, restrooms, and storage space. High ceilings will allow for special teams' work. The building will not be conditioned. The new building will include a Vertical-Rib, Sealed Joint, Standing-Seam Metal Roof Panel System that will come with a minimum 20-year material and workmanship warranty.

Rationale: Per the university, the football program currently has no adequate indoor practice location. An indoor practice facility will assist with alleviating conflicts among multiple sports for practice space which promotes student-athlete welfare by allowing more flexibility around student-athlete academic schedules. In inclement weather, this facility will enable consistency with practices and provide enhanced safety allowing practices to continue during inclement weather. Practice time is highly regulated by NCAA rules and is largely perishable. A lost practice cannot be made up without special waivers to rules. During off-peak usage it can be utilized by other athletic programs, club sports, as a campus gathering place for special events, and in extreme cases, provide another large scale local/regional asset for potential emergency management use.

Facility Characteristics: The new 93,365 gross square foot indoor practice facility will be located south of Brooks Stadium. The facility will be used by approximately 100 football players and 35 coaching and support staff.

Financial Impact: This phase of the project will be funded from Other, Capital Project Reserve Funds (uncommitted balance \$8.59 million at April 19, 2023), and Donor Gifts (uncommitted balance \$15 million at April 19, 2023). Revenue to the Capital Project Reserve Fund is from a September 2019 redemption of outstanding Series 2010A General Obligation Bonds. The transaction was funded entirely by existing university resources and funds that would have been used to service this debt is collected into this account. The Chanticleer Athletic Foundation has secured donations restricted to this project. The project is expected to result in an increase of \$80,394 (year 1), and \$160,87 (years 2 thru 3), in annual operating expenditures. No student fees or tuition will be increased because of the project. A portion of tuition is designated for capital improvements, currently \$405 per student per semester, and has decreased from \$595 to \$405 for the academic years 2014-2015 to 2022-2023.

Full Project Estimate: \$20,000,000 (internal) funded by Capital Project Reserves and Donor Gift Funds. Contract execution is expected in October 2023 and completion of construction in January 2025.

(f) Project: JBRC Item 6: University of South Carolina - Columbia
H27.6131: Thornwell College Maintenance Renovation

Request: Increase Phase II Full Construction Budget and Revise Scope to increase the proposed renovated area included for the renovation of the residential portion of the building.

Included in CIP: No – The project was not included in the 2022 CIP submission because the need to revise the scope and increase the budget was not determined until early 2023.

Phase I Approval: August 2019 (estimated at \$12,000,000) (SFAA)

Phase II Approval: June 2022 (estimated at \$12,590,000) (SFAA)

CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Maintenance Reserve	165,000	12,425,000	12,590,000	9,410,000	22,000,000
All Sources	<u>165,000</u>	<u>12,425,000</u>	<u>12,590,000</u>	<u>9,410,000</u>	<u>22,000,000</u>

Summary of Work: The project scope is being expanded to renovate the entire building, gutting and reconfiguring both the interior student residence areas and repurposing approximately 16,000 square feet of areas that have historically been used for administrative offices, and will now become student residences. The previously approved scope was limited to renovation of the residential portion of the building. The reconfiguration will convert the apartment-style units and offices to suite-style units and add approximately 79 beds within the existing building footprint. The renovation will replace all mechanical, plumbing, and electrical infrastructure. Additionally, a new generator will be provided to power life safety and emergency systems in Thornwell and the adjacent Maxcy College. Electronic access door hardware will be added to unit entrances to match university housing standards. The roof was surveyed and was determined to be in salvageable condition requiring only localized repairs. An approximately 1,696 square foot expansion will be constructed at the south façade to serve as a new main entrance and to create public space at each floor level. Other public spaces include new corridors, kitchens, egress stairs and a laundry. Exterior improvements will be executed at the south courtyard to remove the non-historic fire escape balconies and enhance accessibility. Patios will be created for exterior study and social space. Administrative staff that operates in the office portion of Thornwell will be relocated to available space elsewhere on campus.

Rationale: The revised scope will add another 61 student beds beyond the 78 beds that were programmed in the previously approved scope of work. Per the university, adding on-campus beds is a primary campus objective and responds to enrollment growth and high demand from students who wish to continue living on campus after their freshman year. The residence hall and office areas have not been renovated in decades and require systems replacement to enhance functionality and occupant comfort. The reconfiguration will update the unit style to suites that are deemed to be most beneficial to students and add beds in a desirable location near the campus core. Removing the fire escape balconies will improve building aesthetics, reduce maintenance, and be more sympathetic to the building's historic architectural character. The replacement of aged mechanical and electrical systems will reduce energy consumption and save utility cost, per the university.

Facility Characteristics: Thornwell College is 38,421 gross square feet and was constructed in 1913 (110 years old). After project completion, Thornwell College will be a total of 39,921 gross square feet. The building is proposed to have 139 student beds with the increased renovated area as requested. The building will be entirely utilized for student housing.

Financial Impact: This project will be funded from Other, Housing Maintenance Reserve Fund (uncommitted balance \$23.77 million at April 13, 2023). Revenue to the fund is generated from housing fees and revenues generated by laundry operations, conferences, and

interest. The building will be designed to meet Two Green Globes certification standards with anticipated energy savings of \$661,202 over a 30-year period. The project is expected to result in a decrease of \$38,920 (year 1), \$39,477 (year 2), and \$40,056 (year 3), in annual operating expenditures. No student fees or tuition will be increased because of the project. A portion of tuition is designated for capital improvements, currently \$320 per student per semester, and has not increased for the academic years 2014-2015 to 2022-2023.

Full Project Estimate: \$22,000,000 (internal) funded by Housing Maintenance Reserve Funds. Contract execution is expected in April 2024 and completion of construction in July 2025.

(g) Project: JBRC Item 8: University of South Carolina - Columbia
H27.6149: River Property Land Acquisition

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of four parcels of land totaling approximately 589 acres in Richland County.

Included in CPIP: Yes – 2022 CPIP Priority 15 of 15 in FY24 (estimated at \$3,000,000)
CHE Approval: 06/01/23

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

Rationale: Acquisition of the property will complete a long-term plan to use the proceeds from a previous sale of surplus land (The Wedge Property). Per the university, this property will more effectively serve the university mission. The property can support agricultural and archeological research, future recreation fields, passive forms of recreation such as hiking and camping, and land for other future development opportunities.

Characteristics: The four contiguous parcels are 547-acres, 5-acres, 25-acres and 12-acres, and are contiguous with, and surrounded by university property. There are no buildings located on the property.

Financial Impact: The 5-acre, 12-acre and 25-acre parcels are offered by the USC Development Foundation as a donation. The 547- acre parcel is offered by the USC Development Foundation for an undetermined purchase price, but is anticipated to be at least \$3,000,000, but less than \$3,300,000. The due diligence activities will be funded from Institutional Funds/Land Reserve Funds (uncommitted balance \$28.52 million/\$3.38 million, at April 19, 2023). Revenue to this fund is derived from tuition and fees, sales and services activities, and other miscellaneous sources. The project is expected to result in an increase of \$130,000 (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 \$320 per student per semester, and has not increased for the academic years 2014-2015 to 2022-2023.

Full Project Estimate: \$3,000,000 to \$3,300,000 (internal) funded by Institutional/Land Reserve Funds.

(h) Project: JBRC Item 9: University of South Carolina – Aiken
H29.9558: Softball Facility Construction

Request: Establish Phase II Full Construction Budget to create a basic softball field near the baseball stadium.

Included in CPIP: Yes – 2022 CPIP Priority 2 of 4 in FY23 (estimated at \$3,500,000)

Phase I Approval: March 2023 (estimated at \$2,600,000) (SFAA)

CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional	39,000		39,000	2,561,000	2,600,000
All Sources	<u>39,000</u>		<u>39,000</u>	<u>2,561,000</u>	<u>2,600,000</u>

Summary of Work: This project will create a basic softball field to include dugouts, bleachers for approximately 200 spectators, a ticket kiosk, lighting, and fencing for crowd control. As a cost savings measure, the existing scoreboard and batting cage will be relocated to the new facility. The buildings will include metal roofs that will come with a 20-year material and workmanship warranty. The existing softball field will be repurposed as the location of the new SC National Guard Cyber Center/DreamPort and Advanced Manufacturing Collaborative Building.

Rationale: Relocating the existing softball facility to the periphery of campus enables academic programs to be developed in the campus core.

Facility Characteristics: The new softball facility will include a softball field, dug outs with restrooms, fencing, and scoreboard. The alternates include field lighting, bleachers, press box, concessions and restrooms totaling 1,005 square feet. The new facility will accommodate approximately 200 spectators, and approximately 60 players and coaches.

Financial Impact: The project will be funded from Institutional Funds (uncommitted balance \$2.6 million at April 19, 2023). Institutional Funds are available to the university from a variety of sources including tuition and fees, sales and service activities, and other miscellaneous sources. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$12 per student per semester, and has not increased for the academic years 2014-2015 to 2022-2023.

Full Project Estimate: \$2,600,000 (internal) funded by Institutional Funds. The estimated cost to complete this project has decreased from the 2022 CPIP submission because the project scope was reduced to construct a basic softball competition facility. Future work may be funded with gifts or university funds to be allocated later and would include a press box and other enhancements to upgrade the softball facility. Contract execution is expected in October 2023 and completion of construction in June 2024.

(i) Project: JBRC Item 10: University of South Carolina – Upstate
H34.9555: Rampey Building Expansion and Renovation

Request: Establish Phase I Pre-Design Budget to construct an addition to the Rampey Building to accommodate the relocation and expansion of the Health Services Facility.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 4 in FY24 (estimated at \$2,500,000)
CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional Capital Project				37,500	37,500
All Sources				<u>37,500</u>	<u>37,500</u>

Summary of Work: This project will construct a 5,000 gross square foot addition that will include exam rooms, sick and well waiting rooms, triage space, laundry space, a nurse's station with lab, supply room, storage room, records rooms, administrative offices, and conference space. All roofing material options for the addition will be evaluated during the Phase I process. Minor interior modifications to the existing building will enable connectivity to the addition.

Rationale: Health Services is currently located on the opposite side of campus from most student housing and is in an older facility. Per the university, the Rampey Center is in a better location to serve the students campus life, but the existing facility is not adequate space for the entire Health Services team and the resources they provide. The expansion of the Rampey Building will enable the department to expand services to students and be closer in proximity to the majority of the residence halls.

Facility Characteristics: The current Health Services Facility is 2,400 gross square feet and was constructed in 1995 (28 years old). The existing Rampey Building is 7,172 square feet and was constructed in 1995 (28 years old). 95% of the existing building houses Counseling Services and 5% houses Health Services. The addition will house the Health Services functions being relocated from elsewhere on campus.

Financial Impact: The project will be funded from Other, Institutional Capital Project Funds (uncommitted balance \$11.60 million at April 19, 2023). Institutional Capital Project Funds are generated from the portion of tuition and fees designated for bond and renovation reserve. These funds pay debt service first and the remainder is used for capital improvements. The project is expected to result in an increase of \$7,250 (year 1), and \$14,500 (years 2 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 \$295 per student per semester, and has not increased for the academic years 2014-2015 to 2022-2023.

Full Project Estimate: \$2,500,000 (internal) funded by Institutional Capital Project Funds.

(j) Project: JBRC Separate Item: Medical University of South Carolina
H51.9855: College of Medicine Office and Academic Building

Request: Revise Scope and Establish Phase II Full Construction Budget to construct a seven story, approximately 187,000 gross square foot building at the corner of President and Bee Streets.

Included in CPIP: Yes – 2022 CPIP Priority 7 of 11 in FY23 (estimated at \$150,000,000)
Phase I Approval: April 2022 (estimated at \$172,000,000) (SFAA)
CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Institution Bonds				85,000,000	85,000,000
FY22 Capital Reserve (22)				6,250,000	6,250,000
FY23 Capital Reserve (18)				25,000,000	25,000,000
Other, Clinical Revenue	3,440,000		3,440,000	51,310,000	54,750,000
Other, Gifts				20,000,000	20,000,000
Other, Deferred Maintenance				9,000,000	9,000,000
All Sources	<u>3,440,000</u>		<u>3,440,000</u>	<u>196,560,000</u>	<u>200,000,000</u>

Summary of Work: The project will construct a seven-story building of which more than 50% of the building will be medical teaching space including the majority of the first three stories. Floors 4-6 are faculty offices and support spaces to support students. Approximately 50% of the 7th floor will contain mechanical/electrical rooms with offices in the other half. The roof to be installed on the new building will be a Built-Up Roofing (BUR) Membrane system and will come with a minimum 20-year material and workmanship warranty. Additionally, the project will expand the existing Basic Science Building mechanical room (MRE) and install additional chill water capacity to supply the new College of Medicine Building needs. The new MRE square footage is approximately 6,000 gross square feet. The existing 6,984 square foot Vince Moseley Building will be demolished as part of this project.

Rationale: The new building will allow the College of Medicine to consolidate faculty, staff, and students at one location to improve efficiency, mentoring of students, and collaboration within the department, per the university.

Facility Characteristics: The new facility (which is not a replacement facility), will be approximately 187,000 gross square feet and will support the College of Medicine medical student education activities, to include classrooms, study space, relaxation and wellness areas, large auditorium, and programmatic teaching adjacencies. The College of Medicine Dean's Office, to include its education team, will be located in this space, to allow for enhanced access by medical students. A number of College of Medicine departments, comprised of faculty, staff, and trainees, will also be located within the proposed building. In responding to MUSC's master facility plan over the coming years, those academic departments may include the following: Anesthesia, Dermatology, Medicine, Neurology, Neurosurgery, Ob/GYN, Orthopedics, Otolaryngology, Pathology, Pediatrics, Radiology, Radiation Oncology, Surgery, and Urology. It is anticipated that approximately 1,075 faculty and staff will utilize the space on a regular basis, with additional faculty and staff utilizing the building on a more ad hoc basis. The current medical student enrollment is approximately 720, and there are approximately 816 resident physicians.

Financial Impact: This phase of the project will be funded from Institution Bonds (to be issued), FY22 & FY23 Capital Reserve (uncommitted balance \$31.25 million at April 19, 2023), Clinical Revenue (uncommitted balance \$54.75 million at April 19, 2023), Gifts and Donations (uncommitted balance \$20 million at April 19, 2023), and Deferred Maintenance Funds (uncommitted balance \$11 million at April 19, 2023). Revenue in the Clinical Revenue Fund is clinical revenues generated by patient services (College of Medicine). Revenue in the Deferred Maintenance (RCM) Fund is based on the adopted Responsibility Centered Management budgeting model. Under RCM a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$599,068 over a 30-year period. The project is expected to result in an increase of \$1,400,000 (year 1), and \$2,100,000 (years 2 thru 3), in annual operating expenses. MUSC does not charge a separate plant improvement fee to the students. No student fees or tuition will be increased as a consequence of the project.

Full Project Estimate: \$200,000,000 (internal) funded by Institution Bonds, Capital Reserve, Clinical Revenues, Gifts, and Deferred Maintenance Funds. Contract execution is expected in August 2024 and completion of construction in October 2026.

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

Request: Increase the Phase II Full Construction Budget to cover higher than anticipated costs to construct a six story, approximately 94,000 gross square foot building on President Street.

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

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

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

CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
State Institution Bonds		25,225,000	25,225,000	19,775,000	45,000,000
Other, Institutional Capital Reserves	600,000	4,400,000	5,000,000		5,000,000
Other, CHP Clinical Reserves		19,775,000	19,775,000	225,000	20,000,000
All Sources	<u>600,000</u>	<u>49,400,000</u>	<u>50,000,000</u>	<u>20,000,000</u>	<u>70,000,000</u>

Summary of Work: The building will be constructed north of the Bioengineering building. It will include 5,000 square feet of research space, teaching lab and multipurpose classroom spaces and a minimum of an additional 30 faculty and staff office and support space. The bottom four floors will be finished for immediate occupancy, the top two floors will be shell space for future College of Health Professions expansion. The roof to be installed will be a two-ply modified bitumen roof membrane system with a cover board and polyisocyanurate insulation over metal roof deck. The roof will come with a minimum 20-year material and workmanship warranty.

Rationale: The July 2022 schematic design cost estimate included in the Phase II request did not properly account for the unprecedented increases in subcontractor and materials pricing that have occurred over the last year. The current cost estimate from the Construction Manager at Risk is based on preliminary bidding from various strategic sub-contractors. The current estimate indicates construction cost is approximately \$19,000,000 higher than the previous Phase II estimate based on current cost conditions. There is a \$1,000,000 increase in professional services. The new facility is needed to support growth of the various academic programs within the College of Health Professions.

Facility Characteristics: The new facility will be 94,000 gross square feet and will support the Bachelor of Science in Healthcare Studies, Health Administration (Masters and Doctorate), Health Informatics, Doctor of Philosophy in Health and Rehabilitation Science, Cardiovascular Perfusion, Physician Assistant Studies, Anesthesia for Nurses, Speech Language Pathology, Physical Therapy, Occupational Therapy, and Proposed Genetic Counseling Program (pending CHE approval with potential start date of Fall 2023). Per the university, the current College of Health Professionals student body of approximately 800 students is expected to increase 20% over the next four years and is projected as follows: Physician Assistant Studies program, from 60 to 97 students; New Speech Language Pathology Program (first cohort of 43 students matriculated in Fall 2021); Proposal and development of a Genetic Counseling program. The facility will be accessible by students, faculty, staff and MUSC constituents.

Financial Impact: This phase of the project will be funded from Institution Bonds (to be issued), and College of Health Professional Clinical (CHP) Revenues (uncommitted balance \$33.7 million at April 20, 2023). Revenue to the CHP Clinical Reserves Fund is derived from clinical revenue generated by patient services. The project will be constructed to meet Two Green

Globes certification standards with anticipated energy savings of \$675,464 over a 30-year period. The project is expected to result in an increase of \$631,000 (years 1 thru 3), in annual operating expenses. MUSC does not charge a separate plant improvement fee to the students. No student fees or tuition will be increased as a consequence of the project.

Full Project Estimate: \$70,000,000 (internal) funded by State Institution Bonds and CHP Clinical Revenues. Contract execution is expected in August 2023 with construction completion in June 2025.

(l) Project: JBRC Separate Item: Medical University of South Carolina
H51.9875: Acquisition of College of Health Professions A, B, Ashley Rutledge Garage and Donation of 12 Properties

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of 9.185 acres and the College of Health Professions Buildings in Charleston County.

Included in CPIP: No – The project relies on a complex set of solutions addressing needs of the University and Hospital, the pieces of which did not come together until recently.

CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Project Reserves				260,000	260,000
All Sources				<u>260,000</u>	<u>260,000</u>

Rationale: The Charleston High School Development Company (a MUSC related entity) has and continues to ground lease CHP Buildings A, B, and the Ashley Rutledge Garage from the Foundation since November 2003. The lease between CHS Development Company and the Foundation does not contain reversion language. The university desires to acquire the CHP Buildings and 12 other properties from the Foundation to continue its use as academic, administrative and faculty office space and parking. This acquisition will relieve the encumbering debt on these properties and will allow the university to maintain control of critical pieces of its campus in perpetuity.

Characteristics: Rutledge 159-A (3 stories), is 38,474 gross square feet and was constructed in 2005 (18 years old). Rutledge 159-B (4 stories) is 42,380 gross square feet and was constructed in 2005 (18 years old). Ashley Rutledge Garage (9 stories/636 parking spaces) is 239,025 gross square feet and was constructed in 2005 (18 years old). The remaining 12 properties total 7.24 acres. These buildings total 136,269 square feet combined, and their age is unknown.

Financial Impact: The properties are offered by Medical University of South Carolina Foundation for the proposed purchase price of \$14,810,216. The due diligence activities will be funded from Capital Project Reserves (uncommitted balance \$10.21 million at April 11, 2023). Revenue to this fund is derived from prior capital investments set aside for major long-term investment projects or other anticipated capital expenses. 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. MUSC does not charge a separate plant improvement fee to the students. No student fees or tuition will be increased as a consequence of the project.

Full Project Estimate: \$14,810,216 (internal). Final Land Acquisition will be funded by Capital Project Reserves and Patient Fees.

(m) Project: JBRC Item 11: Tri-County Technical College
H59.6267: TCTC Pendleton Campus Pickens Hall Renovation

Request: Establish Phase I Pre-Design Budget to renovate Pickens Hall.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 2 in FY24 (estimated at \$12,000,000)
CHE Approval: 06/01/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Accumulated Maintenance				240,000	240,000
All Sources				<u>240,000</u>	<u>240,000</u>

Summary of Work: The project will renovate existing classrooms, computer labs and offices making the classrooms and labs more efficient, functional, and optimal-sized. Life safety upgrades will be completed, including updating the fire protection and detection systems along with building circulation and access. Additionally, energy efficiency enhancements such as LED lighting, updated HVAC system, and tie-in to the college's existing chilled water plant will also be completed. For the building envelope, larger and additional windows will be installed, and brick joints will be repointed. For the building infrastructure, new underground sanitary sewer lines will be installed along with new electrical switchgear and IT cabling & infrastructure.

Rationale: The last capital invest in this building, excluding normal building maintenance, was completed in 2002. The renovation will allow for efficient space utilization & circulation and provide an active learning environment utilizing current technology and best practices, per the college.

Facility Characteristics: Pickens Hall is 40,232 square feet and was constructed in 1963 (60 years old). The building is utilized by approximately 800 students and 45 faculty/staff. .

Financial Impact: This phase of the project will be funded from Other, Accumulated Maintenance Funds (uncommitted balance \$38.8 million at March 31, 2023). The project is expected to result in a decrease of \$29,674 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$16,000,000 (internal). Phase II will be funded \$11,000,000 in Accumulated Maintenance and \$5,000,000 in Appropriated State (nonrecurring) Funds requested during the FY23-24 budget process. If the Appropriated State Funds are not received, the project will be fully funded with Accumulated Maintenance Funds.

(n) Project: JBRC Item 16: Office of the Adjutant General
E24.9793, Armory Revitalization (Annualized)

Request: Increase the Phase II Full Construction Budget to cover additional cost for the final design of Laurens and Union, the construction of Laurens and Union, and the design of Wellford and Hartsville.

Included in CPIP: Yes - 2022 CPIP Priority 3 of 24 in FY23 (estimated at \$53,199,600)

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

Phase II Increase

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

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

Phase II Increase

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

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

Phase II Increase

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

Phase II Increase

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

Phase II Increase

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

Phase II Increase

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

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY16 Capital Reserve	5,000,000		5,000,000		5,000,000
FY19 Capital Reserve		3,000,000	3,000,000		3,000,000
Appropriated State, FY20 Proviso 118.16(B)(18)(b)		3,050,000	3,050,000		3,050,000
Appropriated State, FY22 Proviso 118.18(B)(69)(b)		2,000,000	2,000,000		2,000,000
Appropriated State, FY23 Proviso 118.19(B)(74)(A)				608,513	608,513
FY22 Appropriated State, Carryforward				6,500,000	6,500,000
Federal, National Guard Bureau	5,500,000	10,874,600	16,374,600	7,108,513	16,374,600
Other, FY20 Armory Maintenance		500,000	500,000		500,000
All Sources	<u>10,500,000</u>	<u>19,424,600</u>	<u>29,924,600</u>	<u>14,217,026</u>	<u>44,141,626</u>

Summary of Work: The project was established to complete significant repairs at eleven (11) Readiness Centers (aka; Armories) that are in the worst conditions of disrepair of the 63 RCs and are chosen based on the A/E's assessment/design. The centers include Greenwood, Lancaster, Greenville, Florence, Sumter, Clemson, Laurens, Union, Hartsville, Easley and Wellford. Each of these facilities has varying issues that need to be repaired or renovated, but the major cost items include 1) Roof replacement or repairs. Roofs will be replaced at Florence, Sumter, Easley, Laurens, Clemson, Union, and Hartsville because each roof is approximately 40+ years old. Five armories have built-up bituminous roofing systems and two have standing seam metal roofs and all will be replaced with the same roofing

material. All roofs will come with a minimum 20-year material and workmanship warranty. 2) HVAC systems maintenance and/or repairs. 3) Replacing existing exterior windows, doors, and storefront systems. 4) Interior renovations of latrines, kitchen, lighting, fire suppression, carpeting/flooring, painting of interior & exterior walls. 5) Electrical system upgrades. 6) Site improvements and repairs of parking lots, stormwater systems, security fencing, security lighting. 7) Foundation, structure, and exterior wall repairs.

- Rationale:** In most cases, items require replacement since they have exceeded their service life. In accordance with Federal law, the State of South Carolina is obligated to the National Guard Bureau to provide operation and maintenance funding for those facilities if there is a federally recognized unit assigned to the facilities.
- Facility Characteristics:** Each armory is 45,000 to 65,000 square feet and was constructed in 1970 (53 years old). The agency has relocated and/or consolidated force structure to other RCs and closed the sub-standard RCs that could be closed. Each armory will be utilized by 300+ National Guardsman statewide.
- Financial Impact:** This increase will be funded with FY23 Appropriated State (nonrecurring) (uncommitted balance \$2.5 million at April 20, 2023), FY22 Appropriated State, Carryforward (uncommitted balance \$6.5 million at April 20, 2023), and Federal, National Guard Bureau Funds (uncommitted balance \$10 million at April 20, 2023). Revenue to this fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The Laurens and Union Armories are expected to result in a decrease of \$750 (years 1 thru 3) in annual operating expenditures.
- Full Project Estimate:** \$53,199,600 (internal) funded by Capital Reserve, Appropriated State, National Guard Bureau and Armory Maintenance Funds. Contract execution for Laurens is expected in July 2023 and completion of construction in July 2024. Contract execution for Union is expected in September 2023 and completion of construction in November 2024.
- Other:** 6 of 11 facilities (Greenwood/Lancaster/Greenville/Florence/Sumter/Easley) have been completed. Laurens and Union are currently in final design.

(o) Project: JBRC Item 19: Department of Mental Health
J12.9811: Waccamaw Center for Mental Health HVAC, Sprinkler, Fire Alarm and Roof Replacement

Request: Establish Phase II Full Construction Budget to replace 25 HVAC units, HVAC controls, sprinkler, fire alarm and roof at the Waccamaw Center for Mental Health in Conway.

Included in CPIP: Yes – 2022 CPIP 6 of 48 in FY23 (estimated at \$1,920,000)

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

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	24,000		24,000	2,597,384	2,621,384
All Sources	<u>24,000</u>		<u>24,000</u>	<u>2,597,384</u>	<u>2,621,384</u>

Summary of Work: The project includes replacing the outside air and return dampers, ductwork, refrigerant lines, AHU's, condensers and HVAC controls. The gypsum board ceiling will be removed to allow access for fire sprinkler and HVAC replacement and installing new acoustical ceiling for better maintenance access. Additionally, the fire sprinkler system and fire alarm systems will also be replaced. The existing ceiling mounted fluorescent and incandescent light fixtures will be replaced with LED fixtures. The existing steep sloped shingle roof will be replaced with an architectural asphalt shingle roof system that will come with a minimum 20-year material and workmanship warranty. Due to the magnitude of the project, flooring replacement and wall refinishing will be included as an alternate option

Rationale: The mechanical equipment is original to the building, has outlived its lifespan, and is now becoming more and more costly to maintain. The shingle roof is also original to the building and has experienced multiple water intrusions and needs to be replaced. The sprinkler system has several leaks in the system and needs to be replaced.

Facility Characteristics: The Waccamaw Area Center for Mental Health is 33,326 square feet and was constructed in 1993 (30 years old). The center provides emergency services, case management, outpatient counseling and psychiatric treatment for children, adolescents, adults, and families in Georgetown, Horry, and Williamsburg Counties. The facility has 145 staff and sees 6,000 patients a year.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$20.88 million at April 14, 2023). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$3,000 (year 1), and \$2,500 (years 2 and 3) in annual operating expenditures.

Full Project Estimate: \$2,621,384 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in January 2024 and completion of construction in December 2024.

(p) Project: JBRC Item 21: Department of Mental Health
J12.9757: Roof and Sprinkler Replacement at Orangeburg Mental Health Center

Request: Increase Phase II Full Construction Budget and Revise Scope to add lighting upgrades, fire alarm system replacement, and the costs incurred as a result of multiple pipe breaks that resulted in water damage that occurred in December 2022.

Included in CPIP: No – The agency was not aware that an increase would be needed at the time of the 2022 CPIP submission.

Phase I Approval: August 2017 (estimated at \$500,000) (JBRC)

Phase II Approval: December 2017 (estimated at \$575,000) (JBRC)

Revise Scope Approval: May 2019 (estimated at \$575,000) (Admin)

Phase II Increase & Revise Scope Approval: December 2019 (estimated at \$900,000)

Phase II Increase, Revise Scope, & Change Project Name Approval: December 2021 (estimated at \$1,575,000) (SFAA)

Phase II Increase Approval: June 2022 (estimated at \$1,835,091) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	7,500	1,827,591	1,835,091	242,828	2,077,919
All Sources	<u>7,500</u>	<u>1,827,591</u>	<u>1,835,091</u>	<u>242,828</u>	<u>2,077,919</u>

Summary of Work: This project was established to replace the existing 20-year-old asphalt shingle roof over a plywood deck. The roof was replaced with 50-year shingles and included a 20-year manufacturer's warranty. In December 2021 a scope revision was approved to add the replacement of the entire sprinkler system. This scope revision request will add lighting upgrades, fire alarm system replacement, and the costs incurred as a result of multiple pipe breaks that resulted in water damage that occurred in December 2022.

Rationale: After the bid was awarded for the sprinkler replacement project, additional funds were available. The lighting improvements and Fire Alarm were going to be separate projects but since there was enough money left over, it was decided to include them in the change order. As a result of the water damage, the agency is working with the adjusters and the Insurance Reserve Fund for the full cost to repair the flooring and sheetrock removed during the water remediation. Since there will be a General Contractor on site and funds from the Insurance claim, it also made sense to include the December water damage repairs in the project. By including the water damage repair with the project, it avoided having 2 contractors working in one space at the same time.

Facility Characteristics: The facility is 25,595 square feet and was constructed in 1998 (25 years old). It houses the general administration for all facilities and the following support services: Child, Adolescent and Family Clinic Based Services, School Based Services when out of school; ACT Like Teams; Crisis Intervention, Diversion and After Hours Teams; Clinical Intake Team; Adult Short Term Outpatient; Adult Assertive Case Management; Peer Support Team; State Care Coordination Team; Vocational Rehabilitation Representative; TLC, Residential and Homeshare Teams; Medication Clinic with Nurses; Psychiatric Clinic with Doctors and Tele-psychiatry. There is a total of 59 staff members who provide a total of 30,774 services to 1,096 clients on average a year.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$22 million at March 14, 2023). Revenue to this fund is authorized

by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$5,000 (year 1), and \$10,000 (years 2 thru 3), in annual operating expenditures. The agency has received a partial payment of \$120k for the repair of the water damage from the Insurance Reserve Fund and are seeking an additional \$65k to help cover the full amount of the repair.

Full Project Estimate: \$2,077,919 (internal) funded by Capital Improvement & Maintenance Funds. Construction completion is anticipated in October 2023.

(q) Project: JBRC Item 22: Department of Mental Health
J12.9804: Morris Village Fire Alarm Replacement

Request: Increase Phase II Full Construction Budget to cover higher than anticipated bid costs to upgrade the fire alarm system at Morris Village.

Included in CPIP: No – The need to increase the project budget was unknown at the time of the 2022 CPIP submission.

Phase I Approval: October 2021 (estimated at \$490,000) (JBRC)

Phase II Approval: January 2022 (estimated at \$615,000) (JBRC)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	7,350	607,650	615,000	594,070	1,209,070
All Sources	<u>7,350</u>	<u>607,650</u>	<u>615,000</u>	<u>594,070</u>	<u>1,209,070</u>

Summary of Work: The project will replace the existing analog phone line system with a new cellular dialer system. The project includes replacing panels, sensors, cellular dialers, etc.

Rationale: The current Simplex Fire Alarm panels have been discontinued and have not been supported since 2017. Due to the age of the system, replacement or compatible parts are becoming difficult to source. By upgrading the campus fire alarm system, the agency can ensure a fast accurate response from the fire department in the event of an emergency.

Facility Characteristics: The Morris Village Alcohol and Drug Addiction Treatment Center is located on the Crafts Farrow State Hospital Campus in Columbia. The 32 buildings total 89,191 square feet and were constructed in 1975 (48 years old). The existing fire alarm panels were installed in the early 2,000s. The campus houses 130 staff and currently serves 60 patients at a time. Annually, 1,200 patients are rehabbed at the campus.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$22 million at March 14, 2023). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,209,070 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in June 2023 with construction completion in May 2022.

(r) Project: JBRC Item 24: Department of Corrections
N04.9796: Lee Engineering Room Upgrades

Request: Establish Phase I Pre-Design Budget to replace water heating units in 14 building mechanical rooms at Lee Correctional Institution.

Included in CPIP: No – Due to a shortage of maintenance personnel at Lee CI since COVID, the need for this project was not communicated until recently.

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				30,679	30,679
All Sources				<u>30,679</u>	<u>30,679</u>

Summary of Work: The project will hire a contractor to remove existing piping, demo boilers and pumps, replace water heaters, and replace all electrical wiring in the building mechanical rooms.

Rationale: The heating units are not functioning properly due to age, leaking water from corroded pipes, pumps and heat systems. Existing systems are outdated, and parts are no longer available.

Facility Characteristics: Lee Correctional Institution totals 505,194 square feet and was constructed in 1992 (31 years old) The 14 engineering rooms are 150 square foot each, totaling 2,100 square feet. They are used to house the utilities for operation of the buildings at Lee Correctional Institution. The correctional institution houses approximately 1,270 inmates and has an average of 250 staff members.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$37.11 million at April 12, 2023). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$2,283,548 (internal) funded by Appropriated State, Operating Funds.

(s) Project: JBRC Item 25: Department of Corrections
N04.9788: Agency Proprietary Fire Alarm Monitoring Station/Emergency Response Center

Request: Establish Phase I Full Construction Budget to construct a Proprietary Fire Alarm Monitoring Stations and Emergency Response Center.

Included in CPIP: Yes – 2022 Priority 2 of 7 in FY24 (estimated at \$8,000,000)

Phase I Approval: December 2022 (estimated at \$8,000,000) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating	120,000		120,000	7,880,000	8,000,000
All Sources	<u>120,000</u>		<u>120,000</u>	<u>7,880,000</u>	<u>8,000,000</u>

Summary of Work: The project will construct an approximately 8,156 square foot single story brick and load bearing masonry wall supporting open web with metal trusses with 4” concrete slab on top of the metal decking roof. The roof to be installed will be 60 mil TPO on top of R38 Insulation and 4” light weight concrete with metal decking. The roof of the building will be flat and tapped insulation sloped to runoff to the roof drains. The roof will come with a minimum 20-year material and workmanship warranty. The building will include 10 offices, 1 conference room and 1 computer room. In the center of the building is a great room about 2,000 SQ FT with monitoring stations and multiple monitors overlooking all SCDC institutional cameras and fire alarms. The building is fully sprinkled and has a backup generator for power.

Rationale: This centralized facility will monitor the day-to-day operations of every institution in the state, including the monitoring of the fire alarms and video surveillance. In addition to being a central facility to coordinate a response in the event of an emergency within the agency, this building will incorporate other emergency/security functions which are currently housed in a separate building that does not meet the requirements for a proprietary fire alarm monitoring station due to the type of construction. As the agency updates its fire alarm systems it is no longer able to monitor the fire alarm system in the control rooms due to changes in code.

Facility Characteristics: The approximately 8,245 square foot building to be constructed will support the entire agency to include all 21 correctional institutions and all support buildings throughout the state. This building will replace an emergency action center, which will be repurposed into office space after this new building is constructed. The new building will have approximately 11 employees per shift and will serve the entire agency which has approximately 4,000 employees and 16,000 inmates.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$37.11 million at April 12, 2023). The project is expected to result in an increase of \$11,638 (year 1), and \$23,275 (years 2 thru 3), in annual operating expenditures.

Full Project Estimate: \$8,000,000 (internal) funded by Appropriated State, Operating Funds. Contract execution is expected in October 2023 with construction completion in November 2025.

(t) Project: JBRC Item 26: Department of Corrections
N04.9790: Statewide Fire Alarm Upgrades

Request: Establish Phase II Full Construction Budget to upgrade the fire alarm systems at Broad River, Ridgeland and Allendale Correctional Institutions.

Included in CPIP: Yes – 2022 Priority 3 of 7 in FY24 (estimated at \$9,000,000)

Phase I Approval: December 2022 (estimated at \$9,000,000) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating	135,000		135,000	8,948,184	9,083,184
All Sources	<u>135,000</u>		<u>135,000</u>	<u>8,948,184</u>	<u>9,083,184</u>

Summary of Work: The project will repair and replace fire alarms, and make any related repairs and upgrades required for the new fire alarm system to operate. This work will be completed by an electrical/fire alarm contractor.

Rationale: The upgrades will increase fire life safety and operations in these correctional institutions. The existing fire alarm systems at these institutions are obsolete and spare parts are increasingly difficult to obtain to repair the systems.

Facility Characteristics: Broad River Correctional Institution is approximately 442,092 square feet and the fire alarm system was installed in 1985 (38 years old). This institution has an operating capacity of 1,529 inmates and currently has 196 staff. Ridgeland Correctional Institution is approximately 373,716 square feet and the fire alarm system was installed in 2007 (16 years old). This institution has an operating capacity of 1,094 inmates and currently has 109 staff. Allendale Correctional Institution is approximately 291,199 square feet and the fire alarm system was installed in 2002 (21 years old). This institution has an operating capacity of 1,103 inmates and currently has 142 staff.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$37.11 million at April 12, 2023). The project is not expected to result any change in annual operating expenses.

Full Project Estimate: \$9,083,184 (internal) funded by Appropriated State, Operating Funds. Contract execution is expected in October 2023 with construction completion in December 2028.

(u) Project: Department of Corrections
N04.9791: Statewide HVAC Controls Replacement

Request: Establish Phase II Full Construction Budget to replace HVAC controls at Lee, Ridgeland and Turbeville Correctional Institutions.

Included in CPIP: Yes – 2022 Priority 1 of 7 in FY24 (estimated at \$10,000,000)
Phase I Approval: December 2022 (estimated at \$10,000,000) (SFAA)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating	150,000		150,000	10,025,000	10,175,000
All Sources	<u>150,000</u>		<u>150,000</u>	<u>10,025,000</u>	<u>10,175,000</u>

Summary of Work: The project will consist of changing supply water and return water sensors, chilled water and hot water control valves, actuators, control panels, wiring and upgraded software and monitors to control the heating and cooling at Lee, Ridgeland and Turbeville.

Rationale: The HVAC controls are original to the institutions and are outdated and obsolete. Due to their age these systems are in poor shape and replacement parts and manufacturer support are increasing in cost and becoming harder to acquire, per the agency.

Facility Characteristics: Lee Correctional Institution is approximately 505,194 square feet and was constructed in 1993 (30 years old). This institution has an operating capacity of 1,358 inmates and currently has 167 staff. Ridgeland Correctional Institution is approximately 373,716 square feet and was constructed in 1995 (28 years old). This institution has an operating capacity of 1,094 inmates and currently has 109 staff. Turbeville Correctional Institution is approximately 428,630 square feet and was constructed in 1994 (29 years old). This institution has an operating capacity of 1,546 inmates and currently has 167 staff.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$37.11 million at April 12, 2023). The project is expected to result in a decrease of \$70,000 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$10,175,000 (internal) funded by Appropriated State, Operating Funds. Contract execution is expected in October 2023 with construction completion in December 2027.

(v) Project: JBRC Item 28: Clemson University - PSA
P20.9568: Poultry Science Research Facility Construction

Request: Establish Phase I Pre-Design Budget to construct a Poultry Science Research Facility near Clemson's main campus.

Included in CPIP: Yes – 2022 Priority 8 of 8 in FY23 (estimated at \$5,375,000 – this component estimated at \$5,125,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY23 Proviso 118.19, (B) (42) (c)				85,350	85,350
All Sources				<u>85,350</u>	<u>85,350</u>

Summary of Work: The project will construct a new facility that will include a poultry grower layer and intensive research facilities located on the grounds of the recently decommissioned swine farm. The existing facility is being demolished as part of a separate project (P20-9566).

Rationale: This new facility will allow for expansion of the poultry research capacity while capitalizing on existing swine facility utilities and infrastructure.

Facility Characteristics: The existing facilities at the Morgan Poultry Center were constructed prior to or during the 1970's (53 years old). They do not provide environments that replicate current commercial poultry operations, making research more labor intensive and less applicable to commercial growers. The new poultry research center will be constructed on the Piedmont Research and Education Center main campus, on the Starkey Swine Center site after demolition of the existing facilities. The facility will be used to conduct multi-disciplinary research. The facility. All facilities will be fitted with state-of-the-art lighting, feeding, and ventilation systems, allowing faculty to simulate various industry-relevant conditions. The total square footage of the new facility will be determined during the Phase I process. The facilities will be used by students, faculty and staff of PSA's Piedmont Research and Education Center.

Financial Impact: This phase of the project will be funded from Appropriated State (nonrecurring) Funds (uncommitted balance \$1.125 million at May 11, 2023). The project is expected to result in a decrease in annual operating expenditures, but those amounts have not yet been determined.

Full Project Estimate: \$5,690,000 (internal). Phase II will be funded by \$1,039,650 in FY23 Appropriated State (nonrecurring) Funds, and by \$4,565,000 in Appropriated State (nonrecurring) funds being requested in the FY23-24 Budget process.

(w) Project: JBRC Item 29: Department of Natural Resources
P24.6080: Pickens – Pickens County Range Improvements

Request: Establish Phase I Pre-Design Budget to renovate the existing Pickens County Shooting Range northeast of Liberty in Pickens County.

Included in CPIP: Yes – 2022 Priority 31 of 51 in FY23 (estimated at \$1,000,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY23 Proviso 118.19, (B) (44) (g)				37,500	37,500
All Sources				<u>37,500</u>	<u>37,500</u>

Summary of Work: The project includes lead reclamation on all affected areas, reconstructing the 100 yard rifle range, including higher containment and impact berms along with a new covered shooting line, new 5 stand shotgun range with covered firing line, addition of a Trap field, renovation of the archery range, new multi-use storage/office/restroom building including utilities, paved parking area, constructing ADA accessibility throughout and associated items needed to improve safety and function. All range design components will meet or exceed those set by the National Rifle Association.

Rationale: Most of the amenities have outlived their useful life and the entire facility needs a complete renovation and expansion to accommodate the increasing demand for shooting sports and to provide improvements for ADA accessibility, improved safety, and functionality, per the agency.

Facility Characteristics: The Pickens County Range is comprised of a 10 position 10-yard rifle range, 12 position 25-yard pistol range, archery range and open field for shotgun sports, and was constructed in 1987 (36 years old). The 2,400 square foot open sided rifle range building, and 1,500 square foot office/storage/bathroom building will be renovated. The range receives an average of 12,000 visitors annually.

Financial Impact: This phase of the project will be funded from Appropriated State (nonrecurring) Funds (uncommitted balance \$250K at April 5, 2023). The project is expected to result in an increase of \$581 (year 1), and \$700 (years 2 thru 3), in annual operating expenditures.

Full Project Estimate: \$2,500,000 (internal). Phase II will be funded by \$212,500 in FY23 Appropriated State (nonrecurring) Funds, and by \$2,250,000 in Federal, US Fish & Wildlife Grant Funds.

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF June 28, 2023

REGULAR SESSION
ITEM NUMBER 4

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Real Property Conveyance – Department of Corrections

Controlling Agency: Department of Corrections
Acreage: 3.0± acres of land and improvements
Location: 3765 Leeds Avenue, North Charleston
County: Charleston
Purpose: To dispose of surplus real property.
Price/Transferred To: Charleston County/Not less than appraised value
Disposition of Proceeds: To be divided between the Department of Administration and the Department of Corrections pursuant to Proviso 93.8.

AUTHORITY ACTION REQUESTED:

Approve the real property conveyance from South Carolina Department of Corrections to Charleston County for not less than the appraised value, 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: June 28, 2023

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: Real Property Conveyance

3. Summary Background Information:

Controlling Agency:	Department of Corrections
Acreage:	3.0± acres of land and improvements
Location:	3765 Leeds Avenue, North Charleston
County:	Charleston
Purpose:	To dispose of surplus real property.
Price/Transferred To:	Charleston County/Not less than appraised value
Disposition of Proceeds:	To be divided between the Department of Administration and the Department of Corrections pursuant to Proviso 93.8.

4. What is the Authority asked to do? Approve the real property conveyance to Charleston County for not less than appraised value.

5. What is recommendation of the submitting agency involved? Approve the real property conveyance to Charleston County for not less than appraised value.

6. Private Participant Disclosure - Check one:

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

7. Recommendation of other office (as required)?

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

8. List of Supporting Documents:

- a) SC Code of Laws Section 1-11-65
- b) 2022-2023 Appropriations Bill H4000, Part 1B, Proviso 93.8
- c) Letter from South Carolina Department of Corrections dated May 30, 2023
- d) Letter from Charleston County dated May 16, 2023
- e) Maps

SOUTH CAROLINA CODE OF LAWS

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

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

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

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

Editor's Note

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

Effect of Amendment

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

South Carolina General Assembly

124th Session, 2021-2022

H. 5150

General Appropriations Bill for fiscal year 2022-2023

As Ratified by the General Assembly

PART IB

OPERATION OF STATE GOVERNMENT

SECTION 93 – D500-DEPARTMENT OF ADMINISTRATION

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

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

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

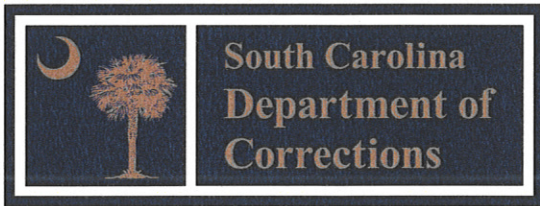
The Forestry Commission shall be authorized to retain the net proceeds from the sale of surplus land for use in firefighting operations and replacement of firefighting equipment.

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

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

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

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



HENRY McMASTER, Governor
BRYAN P. STIRLING, Director

May 30, 2023

Ms. Ashlie Lancaster, Director
Division of Facilities Management
and Property Services
SC Department of Administration
1200 Senate Street, 6th Floor
Columbia, South Carolina 29201

RE: Coastal Pre-Release Center Tax Map No. 412-00-00-013

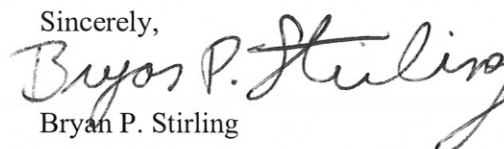
Dear Ms. Lancaster:

The South Carolina Department of Corrections (SCDC) has declared that the property of the Coastal Pre-Release Center (Coastal), 3765 Leeds Avenue, North Charleston South Carolina (Charleston County Tax Map No. 412-00-00-013) is no longer needed by SCDC. SCDC respectfully requests South Carolina Department of Administration and/or State Fiscal Accountability Authority approval for the disposition of said property.

SCDC closed the minimum-security facility in April of 2015. The state has seen a reduction in the minimum-security population due to sentencing reform. SCDC has established a pre-release center at Manning Correctional Institution where the majority of minimum-security inmates are now housed. The Coastal inmates were transferred to similar institutions throughout the state. The closing has saved SCDC over two million dollars. Disposing of the approximately three (3) acre parcel will enable resources and staff to be reallocated to other offices and facilities across the state. These resources will allow staff to more efficiently provide programs and services for returning citizens, while strengthening safety and security of the institutions.

SCDC is not aware of any deed restrictions or property restrictions which might negatively impact the sale of this property. Furthermore, Turning 90 (formerly Turning Leaf) has already been notified of a new building they can occupy from Charleston County. The appraisal of the property has been completed and provided to the Department of Administration. Charleston County has indicated that they will purchase the property for the current appraised value.

If you have any questions or need additional information, please do not hesitate to contact me at (803) 896-8555. Thank you for your consideration in this matter.

Sincerely,

Bryan P. Stirling

BPS/kbe



WILLIAM L. TUTEN
County Administrator

843.958-4000
Fax: 843.958.4004
btuten@charlestoncounty.org
Lonnie Hamilton, III Public Services Building
4045 Bridge View Drive, Suite B238
North Charleston, SC 29405-7464

May 16, 2023

Joel Anderson
South Carolina Department of Corrections
Deputy Director for Operations
PO Box 21787
Columbia, SC 29221-1787

Mr. Anderson,

Thank you for taking the time to meet with our County Facilities team to discuss the potential purchase of State property located at 3765 Leeds Avenue in North Charleston for the development of a new Biological Sciences Building.

As discussed, the County currently owns the front parcel located at 3765 Leeds Avenue in North Charleston and is currently planning to develop the property into a state-of-the-art Biological Sciences Center. This Biological Sciences Center will be able to provide much needed law enforcement evidence processing support for not only municipalities within Charleston County, but also for surrounding counties as well. In order to maximize the impact and right-size the footprint of our current project, the County would like to acquire the State's property at this location.

At this time, the County would like to formally request SC Department of Corrections' consideration to sell the State-owned property located at 3765 Leeds Ave. North Charleston, TMS# 412-00-00-013, for the appraised price [REDACTED].

On May 10, 2023, Charleston County Council voted to approve the County's purchase of the State-owned property at 3765 Leeds Ave, North Charleston, SC for the appraised value [REDACTED] and authorized staff to move forward with negotiating terms with the SCDOC for the sale. It is the County's intent to move forward with purchasing this property from SC Department of Corrections for the appraised price.

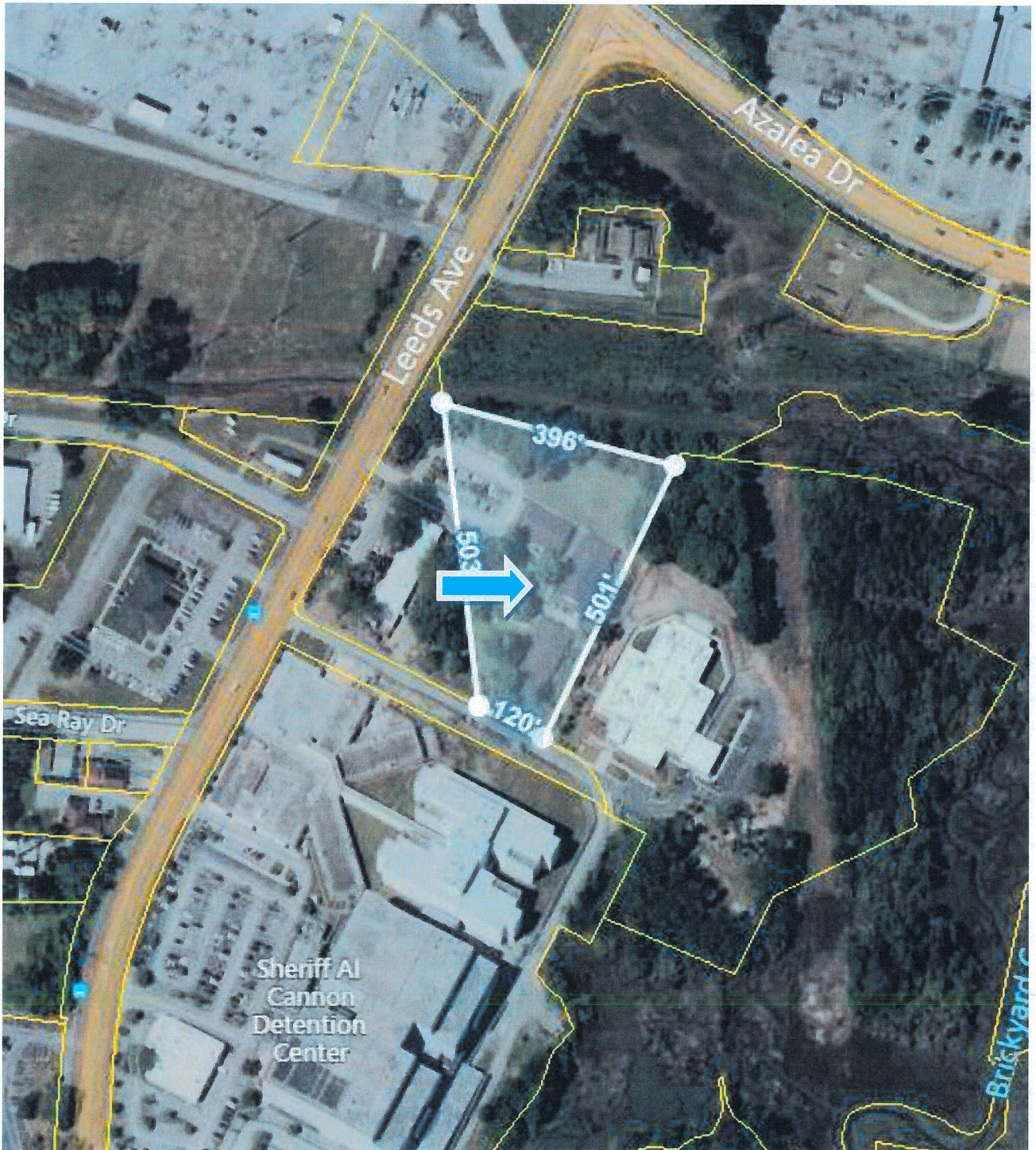
Thank you for your consideration of this request. The County is excited about this potential sale and looks forward to hearing back from you at your earliest convenience.

Sincerely,

William L. Tuten
County Administrator



AERIAL PHOTOGRAPH



LEASE AGREEMENT

1. **PARTIES:** The parties to this lease agreement (this "Lease") are the South Carolina Department of Corrections ("SCDC") and Turning Leaf, each within the State of South Carolina (collectively, the "Parties").
2. **LEASED PREMISES:** SCDC is the owner of the property and building located on Leeds Avenue, North Charleston, South Carolina, and, pursuant to this Lease, SCDC leases to Turning Leaf that portion of the property and buildings (hereinafter, the "Leased Premises" or "Property" or "Facility") as more fully described on the attached Exhibit A. The Leased Premises means the building or complex in which the Leased Premises are located, including any systems in place, fencing, common areas, drives, parking areas, and walks, together with the land all as more particularly identified in Exhibit A and intended to be utilized by Turning Leaf for the Permitted Uses below. Turning Leaf will be entitled to utilize building B-1, as depicted on the attached Exhibit B, for the Permitted Uses stated below, along with that portion of the parking lot located within Parcel 412-00-00-013, as shown on the attached Exhibit C.
3. **TERM:** The term of this Lease is ten (10) years commencing on Jan 1st, 2017 ~~2016~~, which date shall be after the date of approval of this Lease by the South Carolina Department of Administration, as specified on the signature page of this Lease (the "Commencement Date") and ending on Dec 31st, 2026 (the "Lease Term").
4. **OPTION TO RENEW:** Turning Leaf shall have the right to extend the Lease Term upon the same terms and conditions contained herein for one period of five (5) years, provided there is no continuing event of default hereunder by Turning Leaf and subject to any necessary State approvals. Turning Leaf shall give SCDC written notice of its election to extend the Lease Term at least twelve (12) months prior to the expiration of the existing Lease Term. SCDC reserves the right to object to the renewal.
5. **TERMINATION OPTION:** After the Commencement Date, SCDC and Turning Leaf shall have the option to terminate this Lease, with or without cause, by notifying the other party to the addresses listed below in writing of its intent to terminate a minimum of one hundred twenty (120) days prior to the effective date of such termination.
6. **RENT:** Rent shall be One (1) Dollar per year, and shall be prepaid for the entire Lease Term in whole on the Commencement Date, and for any renewal term, on the first day of such renewal term.
 - A. Turning Leaf will reimburse SCDC for the costs of insuring Leased Premises through the Insurance Reserve Fund.
7. **UTILITIES:** Turning Leaf will be solely responsible for the utilities to the Leased Premises.
8. **PERMITTED USES:** Turning Leaf may utilize the Leased Premises to serve

individuals who are at a medium to high risk of incarceration to change their attitudes, thinking, and behavior so they can adapt successfully to community based living without incarceration.

9. **LEGAL COMPLIANCE:** SCDC shall cooperate and assist Turning Leaf in obtaining any permits, certificates and approvals required to operate the Leased Premises for the Permitted Uses.

10. **MOVE-OUT CONDITION AND FORFEITURE OF TURNING LEAF'S PERSONAL PROPERTY:**

A. At the time this Lease ends, Turning Leaf will surrender the Leased Premises in the same condition as when received, except for normal wear and tear considering the Permitted Uses. Turning Leaf will leave the Leased Premises in a clean condition free of all trash, debris, personal property, hazardous materials, and environmental contaminants.

- i. Turning Leaf agrees to and is responsible for cleaning and sanitizing the interior of the building(s) used prior to and during the entire duration of this Sublease.
- ii. Turning Leaf agrees to clean and sanitize the building(s) prior to the termination of this Sublease but after the use of the building(s) has concluded.

B. If Turning Leaf leaves any personal property in the Leased Premises after Turning Leaf surrenders possession of the Leased Premises, SCDC may: (1) require Turning Leaf, at Turning Leaf's expense, to remove the personal property by providing written notice to Turning Leaf; or (2) retain such personal property as forfeited property to SCDC.

C. By providing written notice to Turning Leaf before this Lease ends, SCDC may require Turning Leaf, upon move-out and at Turning Leaf's expense, to remove, without damage to the Property or Leased Premises, any or all fixtures that were placed on the Property or Leased Premises by or at the request of Turning Leaf. Any fixtures that SCDC does not require Turning Leaf to remove become the property of the SCDC and must be surrendered to SCDC at the time this Lease ends.

D. Turning Leaf agrees to an annual inspection by SCDC personnel, with prior notice of inspection. Turning Leaf agrees to additional inspections of Leased Premises by appointment, if SCDC deems an additional inspection is necessary.

11. **MAINTENANCE AND REPAIRS:**

A. **Cleaning:** Turning Leaf must keep, or cause to be kept, the Leased Premises clean and sanitary and promptly dispose of all garbage in appropriate receptacles. Turning Leaf will provide, at its expense, janitorial services to the Leased Premises that are customary and ordinary for the property type. Turning Leaf will maintain, or cause to be maintained, any grease trap on the Property, including but not limited to periodic emptying and cleaning, as well as making any modification to the grease trap that may be necessary to comply with any applicable law.

B. Repairs of Conditions Caused by a Party: Turning Leaf must promptly repair a condition in need of repair that is caused, either intentionally or negligently, by Turning Leaf or Turning Leaf's guests, patrons, invitees, contractors or permitted subtenants.

C. Repair and Maintenance Responsibility: Turning Leaf shall maintain and repair, or cause to be maintained and repaired, in good operable order all components of the Leased Premises, including but not limited to all life safety systems, kitchen, laundry, and all other portions of the Leased Premises. Turning Leaf shall be responsible for obtaining and maintaining, or causing to be obtained and maintained, any permits, authorizations, code compliance and other regulatory issues and approvals required for the operations of the Permitted Uses. Turning Leaf shall be responsible for any upgrades to the Leased Premises.

- i. SCDC will maintain or cause to be maintained any fencing, common areas, drives, parking areas, and walks in the Leased Premises. Turning Leaf will notify SCDC of any repairs that are needed to these areas.
- ii. The Parties have agreed that Turning Leaf will obtain and maintain service/maintenance agreements for the following systems: HVAC, electrical, and plumbing. The Parties further agree:
 - a. Turning Leaf will be responsible for any routine or minor repairs;
 - b. SCDC will make repairs to the systems listed above if those individual repairs have an estimated cost of more than five hundred (500) dollars; and
 - c. SCDC will replace the system(s) if there is catastrophic failure or the system cannot be repaired.

12. ALTERATIONS: Turning Leaf shall not make structural alterations, improvements or modifications to the Leased Premises during the Lease Term without the express written consent from SCDC.

13. ASSIGNMENT AND SUBLETTING: Turning Leaf may not sublease the Leased Premises without the express written consent from SCDC.

14. CONDEMNATION: Notwithstanding any other provision in this Lease to the contrary, if the Leased Premises are rendered unusable for the Permitted Uses due to earthquake, hurricane, eminent domain, or by condemnation proceeding (except for any such action taken or applied for by Turning Leaf), Turning Leaf, at its option, shall be entitled to terminate this Lease upon receipt of written notice from SCDC of such eminent domain or condemnation proceedings. SCDC is entitled to receive and retain the entire award relating to the Leased Premises in any condemnation proceeding. If less than all of the Leased Premises are taken by eminent domain or by condemnation proceeding but the Leased Premises can continue to meet the Permitted Uses, the Parties agree to adjust the rent equitably during the unexpired remainder of the Lease Term. In the event more than 50% of the Leased Premises are affected by the eminent domain or condemnation proceedings such that the Leased Premises cannot continue to meet the Permitted Uses, Turning Leaf shall be entitled to provide written notice to SCDC which terminates this Sublease on sixty (60) days' notice.

15. **NOTICES:** All notices under this Lease must be in writing and are effective when hand-delivered, mailed via first class mail, or sent by electronic means to:

SCDC:

South Carolina Department of Corrections
Office of Administration
Post Office Box 21787
Columbia, South Carolina 29221-1787

With a copy to: South Carolina Department of Corrections
Office of General Counsel
Post Office Box 21787
Columbia, South Carolina 29221-1787

Turning Leaf:

Turning Leaf Project
Attn: Amy Barch
P.O. Box 80112
Charleston, SC 29416

16. **AGREEMENTS OF PARTIES:**

- A. **Entire Agreement:** This Lease contains the entire agreement between SCDC and Turning Leaf and may not be changed except by written agreement.
- B. **Binding Effect:** This Lease is binding upon and inures to the benefit of the Parties and their respective heirs, executors, administrators, successors, and permitted assigns.
- C. **Controlling Law:** The laws of the State of South Carolina govern the interpretation, performance, and enforcement of this Lease.
- i. In the event that any provision of this agreement violates any applicable statute, ordinance, or rule of law having jurisdiction over this agreement, such provision shall be ineffective to the extent of such violation without invalidating any other provision of this Agreement.
- D. **Severable Clauses:** If any clause in this Lease is found invalid or unenforceable by a court of law, the remainder of this Lease will not be affected and all other provisions of this Lease will remain valid and enforceable.
- E. **Quiet Enjoyment:** Provided that Turning Leaf is not in default of this Lease, SCDC covenants that Turning Leaf will enjoy possession and use of the Leased Premises free from material interference.

F. Force Majeure: If either Party's performance of a term in this Lease is delayed by strike, lock-out, shortage of material, governmental restriction, riot, flood, or any cause outside that Party's control, the time for performance will be abated until after the delay.

G. Time: Time is of the essence. The Parties require strict compliance with the times for performance.

H. Authority to Sign: The persons signing below have the right and authority to execute this Agreement for their respective entities and no further approvals are necessary to create a binding Agreement.

I. Keys: Turning Leaf agrees that the keys to the buildings will not be copied and Turning Leaf will maintain security of the keys at all times.

TURNING LEAF

SOUTH CAROLINA DEPARTMENT
OF CORRECTIONS

By: Amy Barch
Printed Name: Amy Barch
Title: Executive Director
Date: 12-15-16

By: Bryan P. Stuckey
Printed Name: Bryan P. Stuckey
Title: Director, SCRC
Date: 12/19/16

This Lease was approved in accordance with South Carolina Code of Regulations Section 19-447.1000 by the South Carolina ~~State Fiscal Accountability Authority~~, at its meeting held the day of , 2016. Department of Administration. al

Nolan Wiggins Ashlie Lancaster al 1-6-17
Director, Division of ~~General Services~~ Real Property Services al
The South Carolina Department of Administration

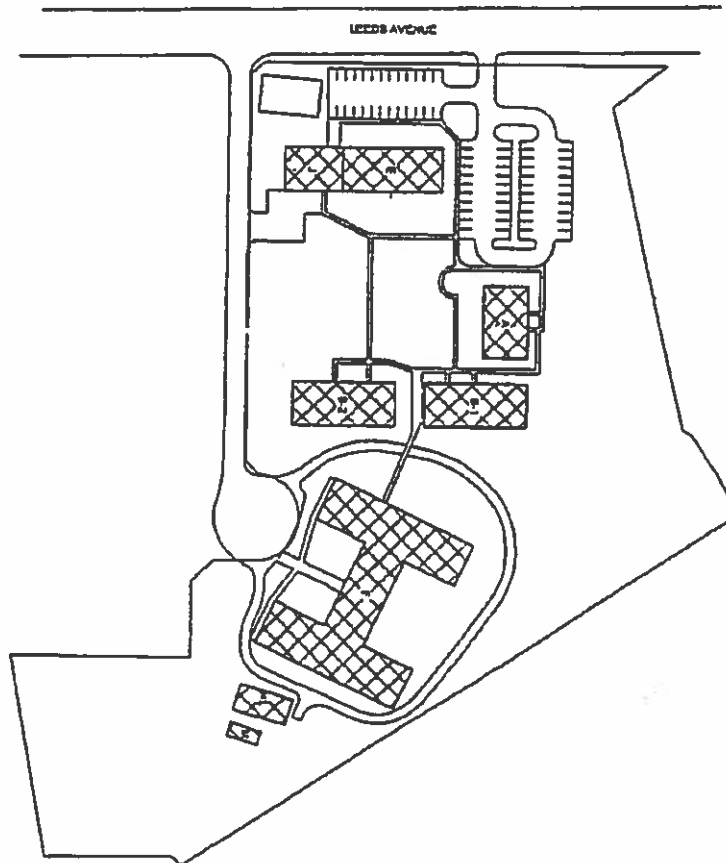
EXHIBIT A

All that certain piece, parcel or lot of land, with the improvements thereon, situate, lying and being in Charleston Heights, in the County of Charleston, State of South Carolina, being shown and designated as Three and 00/100 (3.00) acres on a plat showing a portion of County Farm Industrial Park by James L. White dated May 6, 1980 to be recorded in the office of the RMC for Charleston County in Plat Book AQ at page 161 and having such metes and bounds as shown on said plat. According to said plat, subject property is bounded as follows: On the North and East by property of Charleston County; On the South by a Fifty (50') foot right of way; and on the West by a One and 94/100 (1.94) acre tract designated as a pre-release center on said plat.

Being the premises conveyed to the South Carolina Department of Corrections from the County of Charleston by deed dated and recorded on September 24, 1980 in the Charleston County RMC Office in Deed Book M123 at page 218.

Parcel Number: 412-00-00-013

Exhibit B



- 1 - ADMINISTRATION
- 2 - HOUSING
- 3 - HOUSING
- 4 - PROGRAM SERVICES
- 5 - HOUSING
- 6 - KITCHEN DINING
- 7 - MAINTENANCE
- 8 - OFFICE/CLUB



COASTAL PRE-RELEASE CENTER
CHARLESTON, SOUTH CAROLINA

10



THE STATE OF SOUTH CAROLINA
DEPARTMENT OF CORRECTIONS
OFFICE OF INSTITUTION MANAGEMENT

August 2013



Charleston County SC

LEEDS AV CHARLESTON: LEEDS AV
 CHARLESTON: LEEDS AV
 CHARLESTON: 2100 2598 2101 2599
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 2601 2649 LEEDS AV CHARLESTON:
 2650 2656 2651 2659 LEEDS AV
 CHARLESTON: 2658 2666 2661 2667

LEEDS AV CHARLESTON: 2668 2676
 2669 2677 LEEDS AV CHARLESTON:
 2678 2798 2679 2799 LEEDS AV
 CHARLESTON: 3601 3665 3600 3664
 LEEDS AV CHARLESTON: 3667 3699
 3666 3698 LEEDS AV CHARLESTON:
 3701 3769 3700 3768 LEEDS AV

0 112.5 225 450 Feet
 1 inch = 178 feet

Exhibit

C



Note: The Charleston County makes every effort possible to produce the most accurate information. The layers contained in the map service are for information purposes only. The Charleston County makes no warranty, express or implied, nor any guaranty as to the content, sequence, accuracy, timeliness or completeness of any of the information provided. The County explicitly disclaims all representations and warranties. The reader agrees to hold harmless the Charleston County for any cause of action and costs associated with any causes of action which may arise as a consequence of the County providing this information.

Author Charleston County SC
 Date 6/16/2016

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Office of Resilience at 632 Rosewood Drive in Columbia Lease

The South Carolina Office of Resilience is requesting approval to continue sub-leasing ±19,817 square feet of space located at 632 Rosewood Drive in Columbia from Precoat Metals Corp for their headquarters office as authorized by Precoat Metals Corps' Landlord.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for 3, 5, 7 and 10-year terms. The current location was the only offer received in response to the solicitation.

The requested sublease term is two years and nine and one half months commencing January 17, 2024 and ending at the end of the Master Lease term on October 31, 2026. The rate for the first year of the term will be \$14.57/SF (which is an increase of \$0.42 from their current rate of \$14.15/SF) for an annual aggregate of \$288,733.69. After the first year, the rate will escalate by 3%. This is a full gross sublease and includes all operating expenses.

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>BASIC RENT</u>
YEAR 1	1/17/2024 – 1/16/2025	\$288,733.69	\$24,061.14	\$14.57
YEAR 2	1/17/2025 – 1/16/2026	\$297,453.17	\$24,787.76	\$15.01
YEAR 3	1/17/2026 – 10/31/2026	\$242,131.78	\$25,530.90	\$15.46

The sublease meets the state space standard of 210 SF/person with a density of 162 SF/person.

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

Tenant	Location	Rate
Current Location	636 Rosewood Dr, Columbia	\$17.50*
Vacant	1200 Colonial Life Blvd, West Columbia	\$15.00**
Vacant	200 Center Point Circle, Columbia	\$21.50**

*Initial proposed rate for a 3-year gross lease term before negotiations.

**May be subject to base rent and/or operating expenses escalations.

The sublease also provides for free parking in the surrounding lot.

There are adequate funds for the lease according to the Budget Approval Form submitted by the Office of Resilience on May 17, 2023. Sublease payments will be funded through state appropriations and federal funding. No option to purchase the property is included in the sublease. The sublease was approved by JBRC on June 20, 2023.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Office of Resilience at 632 Rosewood Drive in Columbia Lease

AUTHORITY ACTION REQUESTED:

Approve the proposed two years and nine and one half months sublease for the South Carolina Office of Resilience for ±19,817 square feet of space at 632 Rosewood Drive in Columbia from Precoat Metals Corp., 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: June 28, 2023

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster

Ashlie Lancaster, Director

2. Subject: South Carolina Office of Resilience at 632 Rosewood Drive in Columbia

3. Summary Background Information:

The South Carolina Office of Resilience is requesting approval to continue sub-leasing $\pm 19,817$ square feet of space located at 632 Rosewood Drive in Columbia from Precoat Metals Corp for their headquarters office as authorized by Precoat Metals Corps' Landlord.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for 3, 5, 7 and 10-year terms. The current location was the only offer received in response to the solicitation.

The requested sublease term is two years and nine and one half months commencing January 17, 2024 and ending at the end of the Master Lease term on October 31, 2026. The rate for the first year of the term will be \$14.57/SF (which is an increase of \$0.42 from their current rate of \$14.15/SF) for an annual aggregate of \$288,733.69. After the first year, the rate will escalate by 3%. This is a full gross sublease and includes all operating expenses.

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>BASIC RENT</u>
YEAR 1	1/17/2024 – 1/16/2025	\$288,733.69	\$24,061.14	\$14.57
YEAR 2	1/17/2025 – 1/16/2026	\$297,453.17	\$24,787.76	\$15.01
YEAR 3	1/17/2026 – 10/31/2026	\$242,131.78	\$25,530.90	\$15.46

The sublease meets the state space standard of 210 SF/person with a density of 162 SF/person.

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

Tenant	Location	Rate
Current Location	636 Rosewood Dr, Columbia	\$17.50*
Vacant	1200 Colonial Life Blvd, West Columbia	\$15.00**
Vacant	200 Center Point Circle, Columbia	\$21.50**

*Initial proposed rate for a 3-year gross lease term before negotiations.

**May be subject to base rent and/or operating expenses escalations.

The sublease also provides for free parking in the surrounding lot.

There are adequate funds for the lease according to the Budget Approval Form submitted by the Office of Resilience on May 17, 2023. Sublease payments will be funded through state appropriations and federal funding. No option to purchase the property is included in the sublease. The sublease was approved by JBRC on June 20, 2023.

- 4. What is the Authority asked to do?** Approve the proposed two years and nine and one half months sublease for the South Carolina Office of Resilience for ±19,817 square feet of space at 632 Rosewood Drive in Columbia from Precoat Metals Corp.
-

- 5. What is recommendation of the division of Facilities Management and Property Services?** Approve the proposed two years and nine and one half months sublease for the South Carolina Office of Resilience for ±19,817 square feet of space at 632 Rosewood Drive in Columbia from Precoat Metals Corp.
-

6. Private Participant Disclosure – Check one:

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

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

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

7. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Office Name: [Click or tap here to enter text.](#)

8. List of Supporting Documents:

(a) Letter from Agency

May 18 2023

Ms. Ashlie Lancaster, Director
Division of Facilities Management and Real Property Services
South Carolina Department of Administration
1200 Senate Street, Suite 460
Columbia, SC 29210

Dear Ms. Lancaster

The South Carolina Office of Resilience (SCOR) currently leases space at 632 Rosewood Drive in Columbia, SC as our agency headquarters. The current lease expires on 16 January 2024. SCOR has determined that this property still meets our space requirements and needs following the solicitation we conducted for the space, where only the current location responded.

SCOR accepts the terms as negotiated: \$14.57 per RSF with an annual escalation of 3% for a term of two years and nine and one-half months.

SCOR requests your assistance in bringing this lease to the JBRC and SFAA for approval.

If further information is required or if you have any questions, please contact SCOR's POC, Ran Reinhard at (803) 315-1406 or Ransford.reinhard@scor.sc.gov.



Benjamin I. Duncan II
Chief Resilience Officer
South Carolina Office of Resilience

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF June 28, 2023

REGULAR SESSION
ITEM NUMBER 6

AGENCY: Division of Procurement Services

SUBJECT: Florence Darlington Technical College (FDTC) – Gift Card Program
Recommendations

At its May 23, 2023, meeting, the Authority received as information, the final audit report by Mauldin & Jenkins (M&J) on FDTC's Gift Card Program. At that time, the Authority directed the Division of Procurement Services (DPS) to make recommendations for corrective actions by FDTC based on the observations and recommendations in M&J's report. DPS's recommendations are attached.

AUTHORITY ACTION REQUESTED:

Direct Florence Darlington Technical College to take the corrective actions recommended by the Division of Procurement Services.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: June 28, 2023

Regular Agenda

1. Submitted by:

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


John St. C. White, Materials Management Officer

2. Subject: Florence Darlington Technical College (FDTC) – Gift Card Program Recommendations

3. Summary and Background Information:

At its May 23, 2023, meeting, the Authority received as information, the final audit report by Mauldin & Jenkins (M&J) on FDTC's Gift Card Program. At that time, the Authority directed the Division of Procurement Services (DPS) to make recommendations for corrective actions by FDTC based on the observations and recommendations in M&J's report. DPS's Recommendations are attached.

4. What is Authority asked to do?

Direct FDTC to take the corrective actions in the attached DPS recommendations.

5. What is recommendation of the submitting agency involved?

Direct FDTC to take the corrective actions in the attached DPS Recommendations.

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:


State Auditor's Office

8. List of Supporting Documents:

- (a) DPS Recommendations for Corrective Action to be Taken by FDTC

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



**Division of Procurement Services
Recommendations for
Florence Darlington Technical College's
Gift Card Program**

June 12, 2023

DPS Recommendations for Florence Darlington Technical College's Gift Card Program

Background

At its May 23, 2023 meeting, the State Fiscal Accountability Authority (Authority) received for information Mauldin and Jenkins' Audit Report of the Florence Darlington Technical College's (College) Gift Card Program (the Gift Card Audit). At that meeting, the Authority directed the Division of Procurement Services (DPS) to provide recommended actions for the College to take as a result of the Gift Card Audit. DPS collaborated with the State Auditor in formulating its recommendations.

Following are DPS' recommendations:

Recommendation 1

Cease Selling Remaining Card Inventory Until Adequate Internal Controls Established

The Gift Card Audit found the College lacked sufficient controls to effectively manage the risk of misuse or abuse of Gift Cards and recommended the College seek guidance and alignment with the Authority in writing as to whether the College should:

- a) fully terminate the gift card resale program,
- b) continue to sell off remaining inventory before terminating the gift card resale program, or
- c) resume the gift card resale program once appropriate controls are in place.

The College bookstore has a current gift card inventory worth approximately \$90,000. After the May 23, 2023, SFAA meeting, the College reported to DPS that they plan to investigate the possibility of obtaining refunds from the various vendors from which the gift cards had originally been bought.

DPS recommends:

1. The College cease buying gift cards.
2. The College secure and transfer custody of existing bookstore gift card inventory to the College Finance Department.
3. The College investigate whether it can return the gift cards in inventory to the appropriate vendor for a refund.
4. Should vendors refuse to take the cards back in exchange for a refund, the College must develop an effective system of internal control over the bookstore's gift card inventory and sales and submit it to the State Auditor for approval. Thereafter, the College bookstore may sell the remaining gift cards following the approved system of internal controls.
5. Once existing inventory is sold or returned for refund, fully terminate the gift card program.

Recommendation 2

Investigate Available Options for Outsourcing Bookstore Operations

The overall assessment of the Gift Card Audit was that the bookstore's system of internal controls over cash and inventory is not adequate to reduce the risk of misappropriation of gift cards. This general lack of control over the bookstore's gift card inventory raises a concern that the College is not adequately managing its other inventory.

DPS recommends the College evaluate how other technical colleges in South Carolina operate their bookstores and determine if a third party could more effectively operate the bookstore. The evaluation should include consultation with other technical colleges in South Carolina.

DPS Recommendations for Florence Darlington Technical College's Gift Card Program

Report the College's determination to outsource or continue the internal operation of the bookstore to DPS as soon as the determination is made.

Recommendation 3

Internal Controls Over Inhouse Bookstore Operations

If, after investigating the advantages and disadvantages of outsourcing the bookstore, the College decides it is in its best interest to continue to run the bookstore inhouse, **DPS recommends** the College:

1. Develop and implement bookstore inventory management procedures to include prompt and accurate a) entry of inventory to the receiving log and b) inventory reconciliation. Inventory reconciliation should be supported by written reports.
2. Use inventory reports from the Point of Sale (POS) system to support quantity and requests for approval for purchases based on data driven inventory minimum levels.
3. Develop and implement policy and procedures for bookstore discounts and price reductions to include:
 - a. Designate a single point within College Leadership with sole authority for approving all discounts and price reductions.
 - b. Procedures for ensuring bookstore staff adhere to the policy.
4. Conduct research on POS system capabilities to decide the most effective and efficient method for ensuring all approved price reductions and discounts are consistently applied and incorporate those findings into policies and procedures as applicable.
5. Investigate the feasibility of reconfiguring or replacing its existing POS system to provide the functionality required to automate the implementation of the College's internal controls and effectively limit the opportunity to manually bypass controls over all items bookstore inventory.
6. Develop and implement reports and reporting procedures, including management review and approval, to ensure the College's policies and procedures continue to operate as planned and are effective in managing risk.
7. Any acquisition of supplies by a division of the College from the bookstore shall follow the Consolidated Procurement Code. Where an item of supply is on a statewide term contract the College shall follow the Consolidated Procurement Code's requirements to use those contracts.
8. All acquisition of supplies by the bookstore shall follow the Consolidated Procurement Code.
9. The College shall work with its internal auditor to determine procedures they can perform throughout the fiscal year to assure bookstore controls are operating effectively. Work with the external auditor to assure they perform audit procedures over bookstore operations during the College's annual independent audit.

The College will provide quarterly written progress reports and revised internal procedures to DPS.

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF June 28, 2023

REGULAR SESSION
ITEM NUMBER 7

AGENCY: Medical University of South Carolina

SUBJECT: Not Exceeding \$20,210,000 State of South Carolina General Obligation State
Institution Bonds (Issued on Behalf of The Medical University of South
Carolina), Series 2023

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$20,210,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2023.

The bonds will defray the cost to construct, equip and furnish a six-story building to be used for general University purposes and by the University's College of Health Professions, and construct an elevated pedestrian bridge, on the campus of The Medical University of South Carolina.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$20,210,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University Of South Carolina), Series 2023.

ATTACHMENTS:

Musser 5/22/2023 letter; SFAA Resolution; NDIF



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 06/28/23

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: State of South Carolina Series: 2023
Borrower (if not Issuer): Medical University of South Carolina
Bond Caption: General Obligation State Institution Bonds (Issued on behalf of Medical University of South Carolina)
Bond Resolution Amount: \$ 20,210,000 Est. Production/Par Amt: \$ 17,605,000

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

Submitted By:

ENTITY: Medical University of South Carolina
BY: Patrick Wamsley
ITS: Chief Financial Officer
Tel: 843.792.3557
Email: wamsleyp@musc.edu

Final Production/Par Amt: \$ -

Transaction Type/Method of Sale:

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

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

MSRB (EMMA) Continuing Disclosure Responsible Party: _____

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: College of Health
Project Address/Location: Main Campus, MUSC Amount: \$ 20,000,000
Project Type: Construct & Renovate Facilities County: Charleston
Projected Avg Interest Rate: 3.51% (All-in-TIC) Final Maturity: 4/1/2043 (Preliminary)

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Ref. Bds)
		\$ -			\$ -	
		-			-	
		-			-	
Total		\$ -	*****	*****	\$ -	

4. FINANCING WORKING GROUP

Financial Advisor: PRAG Disclosure Counsel: Howell Linkous
Bond Counsel: Pope Flynn, LLC Issuer's Counsel: SC Attorney General
Underwriter: TBD-Competitive Sale Trustee: N/A
Paying Agent: US Bank Other: N/A

5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs, & the basis for these cost estimates. Use an attachment if needed)

The bonds will provide proceeds necessary to defray the costs of constructing, equipping and furnishing a six-story building to be used for general University purposes and by the College of Health Professions, as well as an elevated pedestrian bridge, and the cost of issuance thereof. Costs of issuance of the bonds are calculated at the anticipated par amount of \$17.605 million in accordance with the approved fee schedule for counsel, published schedules of rating agencies, past experience, and to take into account that certain larger items, such as the underwriter's discount, will not be known until the pricing of the bonds and will vary with market conditions. The Office of State Treasurer may issue the bonds as part of a larger transaction to reduce costs if appropriate.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	04/14/23	Adopted
JBRC Approval:	06/20/23	Proposed
SFAA Approval:	06/28/23	Proposed

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	04/14/23	Adopted
JBRC Approval:	06/20/23	Proposed
SFAA Approval:	06/27/23	Proposed

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

- a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)
- b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?
- c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

Yes	No
	X
	X
Sq. Footage -	
Cost Estimate -	\$ -

	Bond Proceeds	FYE	Spend Down Schedule Notes
Est. Expenditures - Through 6 Months	\$ 8,275,788.00	12/31/2023	
Est. Expenditures - Through 12 Months	16,000,000.00	6/30/2024	
Est. Expenditures - Through 18 Months	16,000,000.00	12/31/2024	
Est. Expenditures - Through 24 Months	5,000,000.00	6/30/2025	
Est. Expenditures - Through 36 Months			
Est. Expenditures - Through 48 Months	-		
- Estimated Expenditures: Thru FY:	\$ 45,275,788.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 17,605,000	\$ 70,000,000	Project Fund
(b) Premium/Accr. Int.	2,670,788	-	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	25,000,000	-	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	-	-	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	-	275,788	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		-	Accrued Interest
Type - GOSIB Auth 11-9-22	25,000,000	-	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	\$ 70,275,788	\$ 70,275,788	Total Project Uses
Surplus/Deficit		\$ -	

9. ESTIMATED/ACTUAL BOND COI EXPENDITURES (** Added COI entities beyond the following need an attached description **)

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	PRAG			\$ 35,000	\$ -	\$ 35,000
Bond Counsel	Pope Flynn, LLC			25,000	-	25,000
Disclosure Counsel	Howell Linkous & Nettles			25,000	-	25,000
Issuer's Counsel				-	-	-
Underwriter's Counsel				-	-	-
Transaction Counsel				-	-	-
Legal Expenses				-	-	-
				-	-	-
Rating Agency - S&P				36,000	-	36,000
Rating Agency - Moody's				28,000	-	28,000
Rating Agency - Fitch				19,000	-	19,000
Underwriter's Compensation	TBD - Competitive			88,025	-	88,025
Registrar / Paying Agent	U.S. Bank National Assoc.			10,000	-	10,000
Escrow Agent				-	-	-
Accountant				-	-	-
Verification Agent				-	-	-
Printing	ImageMaster			3,000	-	3,000
Publishing	IPREO			1,500	-	1,500
Advertising	Bond Buyer			1,500	-	1,500
Contingency				3,763	-	3,763
Issuer's Fee	SC JEDA / SC SHFDA			-	-	-
				\$ 275,788	\$ -	\$ 275,788

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

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

0.20%	#DIV/0!
0.14%	#DIV/0!
0.28%	#DIV/0!
0.47%	#DIV/0!

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

0.50%	#DIV/0!
0.11%	#DIV/0!
1.57%	#DIV/0!

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
600 Wade Hampton Building (29201)
P.O. Box 12444
Columbia, SC 29211

DATE: 5/22/2023

**Submitted for SFAA Meeting
on:** 6/28/2023

FROM: Pope Flynn, LLC
PO Box 11509
Columbia, SC 29211

RE: N/E \$20,210,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2023

Project Name: College of Health Professions. The bonds will defray the cost to construct, equip and furnish a six-story building to be used for general University purposes and by the University's College of Health Professions, and construct an elevated pedestrian bridge, on the campus of The Medical University of South Carolina.

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only; must check K or L)

- A. ☐ Petition
- B. ☒ Resolution or Ordinance
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☒ State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus 3 copies for certification and return to bond counsel
- F. ☒ Draft bond counsel opinion letter
- G. ☐ Signed SFAA Reliance letter
- H. ☐ DHEC Certificate of Need (C.O.N.)
- I. ☐ Debt Questionnaire
- J. ☐ Processing Fee

Amount: Click or tap here to enter text. **Check No:** Click or tap here to enter text.

Payor: Click or tap here to enter text.

- K. ☒ No Private Participant will be known at the time the Authority considers this agenda item.
- L. ☐ This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant

Bond Counsel: William M. Musser
Typed Name of Bond Counsel

By: 
Signature



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

May 22, 2023

Mr. Delbert H. Singleton, Jr.
Assistant Executive Director and Authority Secretary
South Carolina State Fiscal Accountability Authority
1200 Senate Street, Suite 600
Columbia, South Carolina 29201

Re: Not Exceeding \$20,210,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2023

Dear Delbert:

On behalf of The Medical University of South Carolina (the "University"), in connection with the authorization of the above-referenced bonds (the "Bonds"), and in anticipation of the South Carolina State Fiscal Accountability Authority (the "Authority") meeting currently scheduled for June 27, 2023, we respectfully enclose the following for consideration by the Authority:

1. Bond Transmittal Form;
2. a resolution adopted by the Board of Trustees of the University on April 14, 2023, making application to the Authority in connection with the Bonds;
3. a proposed form of opinion of Bond Counsel; and
4. a proposed form of Bond Resolution of the Authority (an electronic copy is being provided contemporaneously with this letter).

We have provided the Office of State Treasurer with copies of the Bond Counsel request form, the New Debt Information Form (NDIF) – Initial Form, and a copy of this submission package.

Please let us know should you require anything further or if you have any questions regarding the enclosed.

Best regards,

A handwritten signature in blue ink that reads 'Bill'.

William M. Musser

cc: Robert Macdonald, Director Debt Management Division, Office of State Treasurer
Patrick Wamsley, The Medical University of South Carolina

Enclosures

RESOLUTION

**REQUESTING THE ISSUANCE OF NOT EXCEEDING TWENTY
MILLION TWO HUNDRED TEN THOUSAND DOLLARS
(\$20,210,000) OF GENERAL OBLIGATION STATE INSTITUTION
BONDS FOR THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
PURSUANT TO CHAPTER 107, TITLE 59, CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED**

Adopted by

**BOARD OF TRUSTEES
OF
THE MEDICAL UNIVERSITY OF SOUTH CAROLINA**

April 14, 2023

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RESOLUTION

REQUESTING THE ISSUANCE OF NOT EXCEEDING TWENTY MILLION TWO HUNDRED TEN THOUSAND DOLLARS (\$20,210,000) OF GENERAL OBLIGATION STATE INSTITUTION BONDS FOR THE MEDICAL UNIVERSITY OF SOUTH CAROLINA PURSUANT TO CHAPTER 107, TITLE 59, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA IN A MEETING DULY ASSEMBLED:

SECTION 1. Findings of Fact. As an incident to the adoption of this Resolution, the Board of Trustees of The Medical University of South Carolina (the "Board of Trustees"), the governing body of The Medical University of South Carolina (the "University") hereby finds and determines as follows:

(a) This Resolution is adopted by the Board of Trustees pursuant to Title 59, Chapter 107, Code of Laws of South Carolina 1976, as amended (the "Enabling Act").

(b) Pursuant to Section 59-107-40 of the Enabling Act, the Board of Trustees is authorized to make application to the South Carolina State Fiscal Accountability Authority (the "State Authority") for the issuance of General Obligation State Institution Bonds ("State Institution Bonds"), the proceeds of which may be used: (i) to construct, equip and furnish a six-story, approximately 93,000 square foot building and related improvements on the University's campus (the "Project," as such term is more particularly described in paragraph (c) of this Section 1); (ii) to reimburse the University for expenses incurred in anticipation of the issuance of such bonds; and (iii) to pay the costs of issuance of such bonds.

(c) The Board of Trustees has determined that, in order to accommodate the growth in student numbers and programs, the need for the Project exists, and is anticipated to be used for general University purposes and by the University's College of Health Professions, and will include space for classrooms, office and support space for University faculty and staff, research space, as well as an elevated pedestrian bridge connecting the building to the existing Bioengineering building.

(d) The University estimates that the total cost of the Project will be approximately \$70,000,000. In order to fund a portion of the projected costs of the Project, and taking into account certain other sources, the Board of Trustees desires to make application to the State Authority to issue not exceeding Twenty Million Two Hundred Ten Thousand Dollars (\$20,210,000) aggregate principal amount of General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina) of the State of South Carolina (the "Bonds") pursuant to the Enabling Act, on the basis that a definite and immediate need exists for constructing and furnishing the Project, and therefore for issuing such Bonds. The proceeds of the Bonds shall be applied to defray a portion of the costs of the Project, reimburse the University for expenses incurred in anticipation of the issuance of the Bonds, and to pay the costs of issuance of the Bonds.

(e) Accordingly, this Resolution is adopted pursuant to Section 59-107-40 of the Enabling Act, in order to make formal application to the State Authority for the issuance of the

Bonds, the proceeds of which will be used for the purposes set forth in paragraph (d) of this Section 1.

SECTION 2. Application for Issuance of State Institution Bonds. The Board of Trustees hereby makes formal application to the State Authority for funds through the issuance of the Bonds pursuant to the provisions of the Enabling Act, in order that the proceeds thereof may be used for the purposes set forth in paragraph (d) of Section 1 hereof.

SECTION 3. Tuition Fees Received in Previous Fiscal Year. Based on tuition fees as defined in the Enabling Act and as described in Section 4 below, for fiscal year July 1, 2021 through June 30, 2022, tuition fees available to pay debt service on State Institution Bonds amounted to the sum of \$15,185,306.

SECTION 4. Current Schedule of Tuition Fees. The schedule of tuition fees, as defined in the Enabling Act and as now in effect at the University, is as set forth as Exhibit A to this Resolution, which schedule is hereby reaffirmed and approved.

SECTION 5. Maturity Schedule for Bonds. The suggested maturity schedule for the Bonds requested to be issued pursuant to this Resolution is set forth as Exhibit B to this Resolution. Said Exhibit B assumes that the principal amount of the Bonds will be \$20,210,000.

SECTION 6. Debt Service on Outstanding State Institution Bonds. A statement showing all State Institution Bonds heretofore issued on behalf of the University now outstanding and not defeased, together with the annual interest and principal payments to become due thereon, is set forth as Exhibit C to this Resolution.

SECTION 7. Debt Service on Outstanding Bonds Including Bonds Authorized Hereby. A table showing debt service on all State Institution Bonds to be outstanding for the University following the issuance of the Bonds (at an assumed principal amount of the Bonds of \$20,210,000 and at prevailing rates of interest) is set forth as Exhibit D to this Resolution. Upon the issuance of the Bonds, the maximum annual debt service on all State Institution Bonds secured by tuition fees of the University may not be greater than 90% of the tuition fees received by the University for the preceding fiscal year.

A calculation establishing the right of the University to seek the issuance of Bonds to the extent set forth in this Resolution is set forth as Exhibit E to this Resolution.

SECTION 8. Request for Issuance of Bonds and Bond Anticipation Notes.

(a) The State Authority is requested to make the findings required by the Enabling Act and to request the Governor and the State Treasurer to provide for the issuance of the Bonds by the State of South Carolina (the "State"). If the State Treasurer should determine that all or a portion of the proceeds needed to defray the costs of the Project should be funded by the issuance of bond anticipation notes (the "Notes") pursuant to Chapter 17, Title 11 of the Code of Laws of South Carolina 1976, as amended (the "BAN Act") rather than the Bonds and that the issuance of the Notes would be in the best interest of the State under prevailing market conditions or, in light of the subsequent borrowings necessary to finance the completion of the Project, would be more efficient than issuing Bonds at this time, the Governor and the State Treasurer are further requested to effect the issuance of Notes pursuant to the BAN Act. If Notes are issued and if, upon maturity thereof, the State Treasurer should determine that further issuance of Notes rather than the Bonds would be in the best interest of the State under prevailing market conditions, the Governor and the State Treasurer are requested to continue the issuance of Notes, in a

principal amount not to exceed \$20,210,000 until the Governor and the State Treasurer determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

(b) The Board of Trustees hereby covenants and agrees that the University will, and hereby directs the President and the Secretary to the Board of Trustees of the University to deposit and designate sufficient tuition fees during each fiscal year to satisfy the requirement that debt service on all State Institution Bonds issued on behalf of the University (including the Bonds herein requested) shall not exceed 90% of such tuition fees so deposited and designated. The President and the Secretary of the Board of Trustees are hereby authorized to certify the amount so deposited and designated to the State Authority. In the event this application is submitted to the State Authority, or the Bonds herein requested are delivered, in a fiscal year subsequent to the fiscal year in which this Resolution is adopted, the request herein made is expressly conditioned on such certification being made and showing that debt service on all State Institution Bonds issued on behalf of the University (including the Bonds herein requested) does not exceed 90% of such tuition fees so deposited and designated.

SECTION 9. Covenant to Impose Tuition Fees Sufficient to Pay Bonds. The Board of Trustees hereby covenants and agrees that the schedule of tuition fees now in effect at the University will be revised from time to time and whenever necessary in order to provide the annual principal and interest requirements of all State Institution Bonds now or hereafter to be outstanding, which have been or will be issued on behalf of the University.

SECTION 10. Tax Covenants. To the extent that the State Authority provides for the issuance of Bonds on a federally tax-exempt basis, the University will covenant as follows:

(a) **Federal Guarantee Prohibition.** The University shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations promulgated thereunder (the “Regulations”).

(b) **Private Business Limitation.** The University shall ensure that (i) not in excess of 10% of the amount actually or constructively received from the sale of the Bonds, together with the investment earnings thereon (“Net Proceeds”), is used directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public but not use by the federal government of the United States of America or any agency or instrumentality thereof (“Private Business Use”), if, in addition, the payment of more than ten percent of the principal or ten percent of the interest due on the Bonds during the term thereof is, under the terms thereof or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the State, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (a) in excess of five percent of the Net Proceeds are used for a Private Business Use, and (b) an amount in excess of five percent of the principal or five percent of the interest due on the Bonds during the term thereof is, under the terms thereof or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the State, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said five percent of Net Proceeds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of a portion of the facilities financed with the proceeds of the Bonds and shall not exceed the proceeds used for the governmental use of the portion of the undertaking to which such Private Business Use is related.

(c) Private Loan Limitation. The University shall ensure that not in excess of the lesser of (i) \$5,000,000 or (ii) 5% of the Net Proceeds will be used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

(d) No Arbitrage. The University represents that it does not expect any portion of the proceeds of the Bonds to be used directly or indirectly to acquire higher yielding investments, or to replace funds which were used directly or indirectly to acquire higher yielding investments for other than a "temporary period" as defined in the Code and the Regulations. The University further covenants that it will not intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments. In making the foregoing representation and covenant, the University understands and intends that words or phrases contained herein have meanings provided therefor under Section 148 of the Code and under the Regulations.

SECTION 11. Secretary to Present Resolution to State Authority. The Secretary to the Board of Trustees is hereby directed to present a certified copy of this Resolution, together with the Exhibits and any certification required by Section 8 to this Resolution, to the State Authority as evidence of the Board of Trustees' formal request for the issuance of the Bonds on behalf of the University, and as evidence that all conditions precedent to the issuance of such Bonds have been met prior to the issuance of the Bonds. The date of application for purposes of the Enabling Act shall be such date as this Resolution and any certificate required by Section 8 hereof is submitted to the State Authority.

SECTION 12. Execution of Closing Documents and Certificates. The Chairman of and the Secretary to the Board of Trustees, and all other officers of the University, are fully authorized and empowered to take such further action and to execute and deliver such closing documents as may be necessary and proper in order to complete the borrowing herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents in such form as he or they shall approve, is hereby fully authorized. In particular, such officers of the University are authorized to abide by covenants made by or on behalf of the State Authority in connection herewith relating to Sections 9 and 10 hereof or relating to Rule 15c2-12 of the United States Securities and Exchange Commission or relating to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended.

SECTION 13. Reimbursement Declaration. The University hereby confirms its intention to reimburse itself for a portion of the costs of the Project with the proceeds of the Bonds or the Notes, as the case may be, requested to be issued herein. To that end, the Board of Trustees determines and declares as follows:

(a) no funds from any sources other than the Bonds or the Notes, as the case may be, are, or are reasonably expected to be, reserved, allocated on a long-term basis or otherwise set aside by the University pursuant to the budget or financial policies of the University for the financing of the portion of the costs of constructing, equipping and furnishing the Project to be funded with the Bonds or the Notes, as the case may be;

(b) the University reasonably expects that all or a portion of the expenditures incurred for the Project and the issuance of the Bonds or the Notes, as the case may be, will be paid prior to the issuance of the Bonds or the Notes, as the case may be;

(c) the University intends and reasonably expects to reimburse itself for all such expenditures paid by it with respect to the Project prior to the issuance of the Bonds or the Notes, as the case may be, from the proceeds of the Bonds or the Notes, as the case may be, and such intention is consistent with the budgetary and financial circumstances of the University;

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

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

SECTION 14. Law and Place of Enforcement of this Resolution. This Resolution shall be construed and interpreted in accordance with the laws of the State. All suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State.

SECTION 15. Effect of Section Headings. The heading or titles of the several Sections hereof are solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

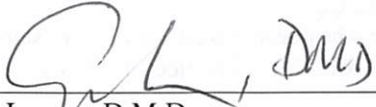
SECTION 16. Repeal of Inconsistent Resolutions. All resolutions of the Board of Trustees, and any part of any resolution, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency. The authorizations herein with respect to the Bonds are in addition to, and not in replacement of, any prior authorizations with respect to bonds to finance the Project.

SECTION 17. Effectiveness of this Resolution. This Resolution shall become effective upon its adoption.

Done in meeting duly assembled this 14th day of April 2023.


**BOARD OF TRUSTEES OF THE MEDICAL
UNIVERSITY OF SOUTH CAROLINA**

(SEAL)



James Lemon, D.M.D.
Chairman

Attest:



Katherine S. Haltiwanger
Secretary

EXHIBIT A

**THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
SCHEDULE OF TUITION FEES IN EFFECT FOR PURPOSES OF
SECTIONS 59-107-10 ET SEQ., CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED**

Set forth below are the tuition and fees charged by each of the Academic Division's Colleges for resident and non-resident students for the 2022-2023 academic year (excluding the summer term) on an annual basis (except as shown):

	<u>In-State¹</u>	<u>Out-of-State¹</u>
Dental Medicine		
Doctor of Dental Medicine	\$17,150	\$30,000
Dental Scientist Training Program	7,905	7,905
Master of Science in Dentistry - Endodontics	20,338	20,338
Master of Science in Dentistry - Periodontics	3,218	3,902
Master of Science in Dentistry - Orthodontics	3,218	3,902
Master of Science in Dentistry - Digital Dentistry	20,167	20,167
 Graduate Studies		
Master of Science in Biomedical Sciences	\$ 6,752	\$9,484
Master of Science in Clinical Research	6,887	10,538
Master of Science in Medical Sciences	7,025	10,538
 Ph.D. Program	7,954	10,686
 Health Professions		
Bachelor of Science in Healthcare Studies	\$4,900	\$4,900
 Cardiovascular Perfusion	8,149	12,831
Master in Extracorporeal Science		6,000
Master in Genetic Counseling	9,000	12,831
Doctor of Nurse Anesthesia Practice - Post-Masters	7,724	7,956
Doctor of Nurse Anesthesia Practice - Post-Baccalaureate	7,724	11,397
 Master in Health Administration-Executive	8,525	9,682
Master in Health Administration-Residential	8,525	12,828
Master of Science in Health Informatics	8,525	8,525
Master of Science in Speech Pathology	8,349	12,465
Master of Science in Physical Assistant Studies	8,274	14,787
Doctor of Health Administration - Health Professional	10,290	10,290
Doctor of Health Administration - Health Administrator	10,290	10,290
Doctor of Health Administration -Interprofessional	6,958	6,958
Doctor of Health Administration- Information Systems	6,958	6,958
Ph. D. in Health and Rehabilitation Science	6,202	6,569
Doctor of Physical Therapy	8,142	12,280
Doctor of Occupational Therapy	8,346	12,465
 Medicine		
First Year	\$12,500	\$22,283
Second Year	10,800	19,333
Third Year	14,533	24,000

	<u>In-State¹</u>	<u>Out-of-State¹</u>
Fourth Year	14,122	25,826
Master of Public Health	6,752	10,538
 Nursing		
Undergraduate-BSN	\$ 7,811	\$14,092
Undergraduate-RN-BSN	5,480	5,926
Graduate – DNP	8,116	10,542
Graduate & Ph.D.	8,116	10,332
 Pharmacy		
Doctor of Pharmacy-First, Second, Third Years	\$13,413	\$13,413
Doctor of Pharmacy-Fourth Year	11,691	11,691
International Doctor of Pharmacy-First, Second, Third Years		20,208
International Doctor of Pharmacy-Fourth Year		17,505
Doctor of Pharmacy/Master of Science in Health Informatics (PharmD/MSHI) – Second & Third Year		
Fall Term	18,603	19,311
Spring Term	16,008	16,362
– Fourth Year	14,286	14,640
Graduate Certificate Program in Clinical Pharmacy	55,125	55,125

For the fiscal year ended June 30, 2022, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$15,185,306. The tuition and fees generated for the 2022 summer term are not included.

The maximum principal and interest debt service payment prior to the issuance contemplated herein is \$4,783,275, which occurs in the fiscal year ending June 30, 2024.

The maximum principal and interest debt service payment after the issuance contemplated herein is anticipated to be \$6,157,546, which is anticipated to occur in the fiscal year ending June 30, 2024.

¹ All tuition per semester unless otherwise noted

EXHIBIT B

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
PRO-FORMA DEBT SERVICE REQUIREMENTS OF
NOT EXCEEDING \$20,210,000 STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS,
COMPUTED AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2024	\$ 730,000	\$ 644,271	\$ 1,374,271
June 30, 2025	780,000	647,311	1,427,311
June 30, 2026	805,000	624,847	1,429,847
June 30, 2027	825,000	602,790	1,427,790
June 30, 2028	850,000	580,432	1,430,432
June 30, 2029	870,000	557,737	1,427,737
June 30, 2030	895,000	534,769	1,429,769
June 30, 2031	915,000	511,320	1,426,320
June 30, 2032	940,000	487,164	1,427,164
June 30, 2033	965,000	462,160	1,427,160
June 30, 2034	990,000	436,105	1,426,105
June 30, 2035	1,020,000	406,801	1,426,801
June 30, 2036	1,055,000	373,957	1,428,957
June 30, 2037	1,090,000	337,349	1,427,349
June 30, 2038	1,130,000	297,346	1,427,346
June 30, 2039	1,175,000	254,406	1,429,406
June 30, 2040	1,220,000	208,816	1,428,816
June 30, 2041	1,265,000	160,626	1,425,626
June 30, 2042	1,320,000	109,899	1,429,899
June 30, 2043	1,370,000	56,307	1,426,307
Total	<u>\$ 20,210,000</u>	<u>\$ 8,294,409</u>	<u>\$ 28,504,409</u>

* Preliminary, subject to change.

EXHIBIT C

DEBT SERVICE REQUIREMENTS
ON ALL STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF
THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

Fiscal Year Ending	Existing Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ -	\$ -	\$ -
June 30, 2024	3,170,000	1,613,275	4,783,275
June 30, 2025	2,445,000	1,475,650	3,920,650
June 30, 2026	2,565,000	1,353,400	3,918,400
June 30, 2027	2,705,000	1,225,150	3,930,150
June 30, 2028	2,835,000	1,089,900	3,924,900
June 30, 2029	2,985,000	948,150	3,933,150
June 30, 2030	3,105,000	824,900	3,929,900
June 30, 2031	3,240,000	696,350	3,936,350
June 30, 2032	2,190,000	561,950	2,751,950
June 30, 2033	2,270,000	480,850	2,750,850
June 30, 2034	2,355,000	396,550	2,751,550
June 30, 2035	2,440,000	308,900	2,748,900
June 30, 2036	2,530,000	217,900	2,747,900
June 30, 2037	985,000	123,300	1,108,300
June 30, 2038	1,010,000	93,750	1,103,750
June 30, 2039	1,040,000	63,450	1,103,450
June 30, 2040	1,075,000	32,250	1,107,250
Total	<u>\$ 38,945,000</u>	<u>\$ 11,505,675</u>	<u>\$ 50,450,675</u>

EXHIBIT D

SCHEDULE SHOWING PRO-FORMA TOTAL DEBT SERVICE REQUIREMENTS OF
ALL GENERAL OBLIGATION STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF
THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
INCLUDING THE PROPOSED ISSUE OF
TWENTY MILLION TWO HUNDRED TEN THOUSAND DOLLARS (\$20,210,000)
OF GENERAL OBLIGATION STATE INSTITUTION BONDS
COMPUTED AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	Combined Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ -	\$ -	\$ -
June 30, 2024	3,900,000	2,257,546	6,157,546
June 30, 2025	3,225,000	2,122,961	5,347,961
June 30, 2026	3,370,000	1,978,247	5,348,247
June 30, 2027	3,530,000	1,827,940	5,357,940
June 30, 2028	3,685,000	1,670,332	5,355,332
June 30, 2029	3,855,000	1,505,887	5,360,887
June 30, 2030	4,000,000	1,359,669	5,359,669
June 30, 2031	4,155,000	1,207,670	5,362,670
June 30, 2032	3,130,000	1,049,114	4,179,114
June 30, 2033	3,235,000	943,010	4,178,010
June 30, 2034	3,345,000	832,655	4,177,655
June 30, 2035	3,460,000	715,701	4,175,701
June 30, 2036	3,585,000	591,857	4,176,857
June 30, 2037	2,075,000	460,649	2,535,649
June 30, 2038	2,140,000	391,096	2,531,096
June 30, 2039	2,215,000	317,856	2,532,856
June 30, 2040	2,295,000	241,066	2,536,066
June 30, 2041	1,265,000	160,626	1,425,626
June 30, 2042	1,320,000	109,899	1,429,899
June 30, 2043	1,370,000	56,307	1,426,307
Total	\$ 59,155,000	\$ 19,800,084	\$ 78,955,084

* Preliminary, subject to change.

EXHIBIT E

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
PROOF SHOWING COMPLIANCE WITH
TITLE 59, CHAPTER 107, CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

Aggregate of tuition fees received by the University as of June 30, 2022	\$15,185,306
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Multiplied by	90%
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Produces	\$13,666,775
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Maximum annual debt service on all State Institution Bonds of the University (including the proposed issue of not exceeding Twenty Million Two Hundred Ten Thousand Dollars (\$20,210,000) General Obligation State Institution Bonds issued on behalf of the University)	\$ 6,157,546*
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Margin	\$ 7,509,230
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* Calculated as of April 14, 2023

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING TWENTY MILLION TWO HUNDRED TEN THOUSAND DOLLARS (\$20,210,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA), OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

Adopted June 28, 2023

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EXHIBIT A Debt Service Requirements on all State Institution Bonds Issued by the State of South Carolina on Behalf of The Medical University of South Carolina

EXHIBIT B Schedule of Tuition Fees

EXHIBIT C Pro Forma Debt Service Requirements of Not Exceeding \$20,210,000 State of South Carolina General Obligation State Institution Bonds, at Prevailing Rates of Interest

EXHIBIT D Schedule Showing Pro Forma Total Principal and Interest Requirements of All General Obligation State Institution Bonds Issued by the State of South Carolina on Behalf of The Medical University of South Carolina Including the Proposed Issue of \$20,210,000 of General Obligation State Institution Bonds, at Prevailing Rates of Interest

EXHIBIT E Proof Showing Compliance with Enabling Act

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A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING TWENTY MILLION TWO HUNDRED TEN THOUSAND DOLLARS (\$20,210,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA), OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

ARTICLE I FINDINGS OF FACT

As an incident to the adoption of this resolution (this “Resolution”) and the issuance of the bonds provided for herein, the South Carolina State Fiscal Accountability Authority (the “Authority”) finds that the facts set forth in this Article exist, and that the statements made with respect thereto are true and correct. Capitalized terms used and not otherwise defined herein have the meanings given to such terms in Article II of this Resolution.

Section 1.01 General Findings of Authorization.

(a) The Authority is authorized by Title 59, Chapter 107 of the Code of Laws of South Carolina 1976, as amended (the “Enabling Act”), to make provision for the issuance of General Obligation State Institution Bonds (“State Institution Bonds”) on behalf of state institutions (the “Institutions”) of the State of South Carolina (the “State”), including The Medical University of South Carolina (the “University”), the proceeds of which may be used for any one or more of the following purposes:

(i) to construct, reconstruct, maintain, improve, furnish and refurnish the buildings and other permanent improvements for the Institutions,

(ii) to defray the costs of acquiring or improving land needed as sites for such improvements or for the campus of any of the Institutions,

(iii) to reimburse the Institutions for expenses incurred in anticipation of the issuance of State Institution Bonds, or

(iv) to refund State Institution Bonds heretofore issued for the Institutions and which shall on such occasion be outstanding.

(v) The Board of Trustees has determined that, in order to accommodate the growth in student numbers and programs, a need exists to construct, equip and furnish a six-story, approximately 90,000 square foot building to be used for general University purposes and by the University’s College of Health Professions, and will include space for classrooms, office and support space for University faculty and staff, research space, as well as an elevated pedestrian bridge connecting the building to the existing Bioengineering building (the “Project”).

Pursuant to the provisions of a resolution adopted by the Board of Trustees of the University (the “Board of Trustees”) on April 14, 2023 (the “Board Resolution”), the Board of Trustees has requested the Authority to authorize the Governor and the State Treasurer (each as defined herein) to issue General Obligation State Institution Bonds pursuant to the Enabling Act in the aggregate principal amount of not exceeding \$20,210,000 to provide funds to: (i) defray the costs of the Project; and (ii) pay costs and

expenses related to the issuance of such State Institution Bonds. Moreover, the Board Resolution constituted the application to the Authority required by Section 59-107-40 of the Enabling Act and the provisions thereof contained all information necessary for the Authority to approve the application and authorize the issuance of such State Institution Bonds.

(b) The Authority has reviewed the Board Resolution and has determined to cause the issuance of not exceeding Twenty Million Two Hundred Ten Thousand Dollars (\$20,210,000) aggregate principal amount General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), of the State of South Carolina (the "Bonds"), or one or more BANs (as defined herein) in anticipation thereof, for the purposes described in paragraph (a) above.

Section 1.02 Findings Required by the Enabling Act.

The Authority makes the following findings pursuant to Section 59-107-50 of the Enabling Act in connection with the application of the University for issuance of General Obligation State Institution Bonds in the amount of not exceeding \$20,210,000, which sum will be used to pay all or a portion of the costs of the Project and to pay the costs of issuance of the Bonds.

(a) That a definite and immediate need for the Project exists;

(b) There are presently outstanding \$38,945,000 aggregate principal amount State Institution Bonds secured by the Tuition Fees (as hereinafter defined) of the University as set forth in Exhibit A attached hereto;

(c) A satisfactory and proper schedule of Tuition Fees as set forth in Exhibit B attached hereto is in effect at the University;

(d) A pro forma debt service table setting forth annual principal and interest requirements of the Bonds based on prevailing rates of interest per annum is set forth on Exhibit C attached hereto. Exhibit D attached hereto sets forth the aggregate debt service requirements of the outstanding State Institution Bonds issued on behalf of the University and the Bonds at prevailing rates of interest. Exhibit E attached hereto shows the sums received by the University as Tuition Fees for the Fiscal Year (as hereinafter defined) ended June 30, 2022, and establishes that, based on prevailing rates of interest per annum on the Bonds, the maximum annual debt service on the outstanding State Institution Bonds issued on behalf of the University and the Bonds will not be greater than 90% of the Tuition Fees received by the University for the Fiscal Year ended June 30, 2022;

(e) The University has agreed that the schedule of the Tuition Fees for the University shall be revised from time to time and whenever necessary to provide not less than the sum needed to pay the annual principal and interest requirements on the Bonds and on all outstanding State Institution Bonds issued on behalf of the University; and

(f) The Authority has made the findings required of it by Section 59-107-50 of the Enabling Act, and has accepted the Board Resolution as the application required by Section 59-107-40 of the Enabling Act.

Section 1.03 Determination of Compliance with Debt Limitation.

Section 59-107-90 of the Enabling Act and Section 11-27-30(4) of the South Carolina Code, each provide that the debt limitation applicable to State Institution Bonds is that sum resulting from the provisions of subparagraph (b) of paragraph 6 of Section 13 of Article X of the South Carolina

Constitution, which provides that the maximum annual debt service on State Institution Bonds issued for an Institution may not be greater than 90% of the sum of the Tuition Fees received by such Institution for the preceding Fiscal Year. The table set forth in Exhibit E attached hereto demonstrates that the maximum annual debt service on all State Institution Bonds issued on behalf of the University following the issuance of the Bonds will not exceed the proviso contained in the preceding sentence with respect to outstanding State Institution Bonds and the Bonds with interest calculated thereon at prevailing rates of interest. Further, the Authority finds that the total aggregate principal amount of State Institution Bonds issued on behalf of the University to be outstanding, following the issuance of the Bonds at prevailing rates of interest authorized by the provisions of this Resolution, will not exceed \$59,155,000.*

Section 1.04 Determination of Amount of Bonds Herein Authorized.

The Authority finds that it is necessary to issue the Bonds in the aggregate principal amount of not exceeding \$20,210,000 or one or more BANs in anticipation thereof, in order to provide funds which will be used to pay all or a portion of the costs of the Project, to pay the principal of and interest on the BANs, if any, and to pay the costs of issuance of such BANs or the Bonds.

[End of Article I]

* Preliminary, subject to change.

ARTICLE II
DEFINITIONS AND CONSTRUCTION

Section 2.01 Definitions.

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

“Authority” means the South Carolina State Fiscal Accountability Authority.

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

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

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

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

“Bond” or “Bonds” means any of the General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), authorized by this Resolution, and also means, if the context so requires, any BAN or BANs issued in anticipation of the issuance of such Bonds.

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

“Bond Payment Date” means each date determined by the State Treasurer on which interest on any of the Bonds shall be payable or on which both the Principal Installment and interest shall be payable on any of the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Undertaking” means that undertaking which is to be executed by the State Treasurer in form substantially similar to that appearing as Exhibit H hereto, and delivered at or prior to the closing of the Bonds as required by United States Securities and Exchange Commission Rule 15c2-12, as amended, and as such undertaking may be from time to time amended in accordance with the terms thereof.

“Corporate Trust Office”, when used with respect to any Paying Agent, Registrar, or Escrow Agent means the office at which its principal corporate trust business shall be administered.

“Dated Date” means such date as the State Treasurer shall determine to be the date of issue of the Bonds or BANs.

“Enabling Act” means Title 59, Chapter 107 of the Code of Laws of South Carolina 1976, as amended.

“Escrow Agent” means the Paying Agent or such entity or entities, as the case may be, designated by the State Treasurer to serve as escrow agent or escrow agents pursuant to one or more escrow deposit agreements.

“Fiduciary” means the Paying Agent, the Registrar, and any Escrow Agent and their successors and assigns.

“Fiscal Year” means the period of 12 calendar months, beginning July 1 of each year and ending on June 30 of the next year.

“Government Obligations” means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

“Governor” means the Governor of the State.

“Outstanding” means, when used in this Resolution with respect to Bonds or BANs, as of any date, all Bonds or BANs theretofore authenticated and delivered pursuant to this Resolution except Bonds or BANs (or portions thereof):

- (i) cancelled or delivered to the Registrar for cancellation on or before such date;
- (ii) deemed to have been paid in accordance with the provisions of Section 7.01 hereof; and
- (iii) in lieu of or in exchange for which another Bond or BAN shall have been authenticated and delivered pursuant to Article III of this Resolution.

“Paying Agent” means any bank, trust company, or national banking association which is authorized to pay the principal or Redemption Price of, or interest on any Bonds or BANs, and having the duties, responsibilities and rights provided for in this Resolution, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Paying Agent may also act as Registrar.

“Person” means an individual, a partnership, a corporation, a trust, a trustee, an unincorporated organization, or a government or an agency or political subdivision thereof.

“Principal Installment” means, as of any date of calculation, the principal amount of all Bonds due on a specified date.

“Private Business Use” means “private business use” as that term is defined in Section 141 of the Code, any successor provision and any regulations promulgated thereunder.

“Record Date” means the 15th day immediately preceding each Bond Payment Date.

“Redemption Price” when used with respect to a Bond or portion thereof to be redeemed, means the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Resolution.

“Registrar” means any bank, trust company, or national banking association which is authorized to maintain an accurate list of those who from time to time shall be the Holders of the Bonds or BANs and shall effect the exchange and transfer of the Bonds or BANs in accordance with the provisions of this Resolution and having the duties, responsibilities, and rights provided for in this Resolution and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Registrar may also act as Paying Agent.

“Resolution” means this Resolution as the same may be amended or supplemented from time to time in accordance with the terms hereof.

“Secretary of State” means the Secretary of State of the State of South Carolina.

“Series” or “Series of Bonds” means a series of Bonds issued pursuant to the authorizations of the Enabling Act and this Resolution.

“South Carolina Code” means the Code of Laws of South Carolina 1976, as amended.

“State” means the State of South Carolina.

“State Request” means a written request of the State signed by an Authorized Officer.

“State Treasurer” means the Treasurer of the State of South Carolina.

“Taxable Series” means a Series of Bonds so designated by the State Treasurer, the interest upon which is not excludable from income for federal income tax purposes.

“Tuition Fees” means those fees charged by the University for tuition, matriculation and registration. The term does not include sums charged for enrolling in courses or classes offered for any summer school term or any special seminar, nor shall the term relate to or include fees levied or charged for purposes other than for the purposes of the Enabling Act.

Section 2.02 Construction.

In this Resolution, unless the context otherwise requires:

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

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

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

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

[End of Article II]

ARTICLE III ISSUANCE OF BONDS

Section 3.01 Request to Governor and State Treasurer.

The Governor and the State Treasurer are hereby requested to effect the issuance of not to exceed \$20,210,000 principal amount of General Obligation State Institution Bonds in accordance with the provisions of this Resolution.

Section 3.02 Ordering the Issuance of Bonds; Principal Amount.

Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds to pay all or a portion of the costs of the Project and to pay certain costs of issuance of the Bonds described in Section 1.02 hereof, there shall be issued not exceeding \$20,210,000 aggregate principal amount of general obligation bonds of the State, designated "General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2023." Notwithstanding the foregoing, however, the State Treasurer may, in his discretion, modify the Series designation of the Bonds herein authorized as appropriate and, in such event, all references to the Bonds herein shall be deemed to reference such modified Series designation. The Bonds may be issued as a single Series or in two or more separate Series or may be issued in combination with other issues of State general obligation bonds, as determined by the State Treasurer. The final principal amount of the Bonds shall be determined by the State Treasurer.

Section 3.03 Maturity Schedule of Bonds.

The Bonds shall mature in each of the Fiscal Years and in the Principal Installments determined by the State Treasurer, provided that the aggregate principal amount of Bonds issued hereunder does not exceed \$20,210,000. The Bonds shall bear interest at rates determined in the manner prescribed by Section 3.16 hereof. The State Treasurer is hereby authorized to adjust the maturity schedule as to the principal amount maturing in a particular year and as to the dates on which the principal is to be repaid in order to: (i) limit net Bond proceeds; (ii) maintain compliance with constitutional and statutory debt limitations; (iii) maintain level annual debt service within each Fiscal Year; and (iv) achieve a more favorable interest rate at the sale of the Bonds.

Section 3.04 Provision for Payment of Interest on the Bonds.

The Bonds shall be authenticated on such dates as they shall, in each case, be delivered. The Bonds shall bear interest from the Bond Payment Date to which interest has been paid next preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date, in which case, from such authentication date, or if authenticated prior to the first Bond Payment Date for the Bonds, then from the Dated Date. The interest to be paid on any Bond Payment Date shall be paid to the Person in whose name such Bond is registered at the close of business on the Record Date next preceding such Bond Payment Date.

Section 3.05 Medium of Payment; Form and Denomination of Bonds; Place of Payment of Principal.

(a) The Bonds shall be payable as to Principal Installment, Redemption Price and interest at the rates per annum determined in the manner prescribed by Section 3.16 hereof (on the basis of a 360-day year of twelve 30-day months) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) The Bonds shall be issued in the form of fully registered Bonds. The Bonds shall be issued in the denomination of \$1,000 or any whole multiple thereof, not exceeding the principal amount of the Bonds maturing in such year. The Bonds shall be numbered from R-1 upwards in such fashion as to maintain a proper record thereof.

(c) The Principal Installment or Redemption Price of all Bonds shall be payable at the Corporate Trust Office of the Paying Agent and payment of the interest on each Bond shall be made by the Paying Agent to the Person appearing on each Record Date on the registration books of the State, which books shall be held by the Registrar as provided in Section 3.09 hereof, as the registered Owner thereof, by check or draft mailed to such registered Owner at his address as it appears on such registration books in sufficient time to reach such registered Owner on the Bond Payment Date. Payment of the Principal Installment or Redemption Price of all Bonds shall be made upon the presentation and surrender for cancellation of such Bonds as the same shall become due and payable.

Section 3.06 Agreement to Maintain Registrar and Paying Agent.

As long as any of the Bonds remain Outstanding, there shall be a Registrar and a Paying Agent, each of which shall be a financial institution maintaining Corporate Trust Offices where (i) the Bonds may be presented for registration of transfers and exchanges, (ii) notices and demands to or upon the State in respect of the Bonds may be served, and (iii) the Bonds may be presented for payment, exchange and transfer. The State Treasurer is hereby authorized to determine the institution which shall initially exercise the functions of Registrar and Paying Agent. In the event that Bonds are issued in two or more Series, references in this Resolution to the Registrar and Paying Agent shall mean the Registrar and Paying Agent for a given Series.

Section 3.07 Execution and Authentication.

(a) The Bonds shall be executed in the name and on behalf of the State by the manual or facsimile signatures of the Governor and of the State Treasurer, attested by the manual or facsimile signature of the Secretary of State with the Great Seal of the State (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon. Bonds bearing the manual or facsimile signature of any Person who shall have held such office at the time such Bonds were so executed shall bind the State notwithstanding the fact that he may have ceased to be such officer prior to the authentication and delivery of such Bonds or was not such officer at the date of the authentication and delivery of the Bonds.

(b) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication in the form set forth in the form of the Bond attached to this Resolution as Exhibit F, duly executed by the manual signature of the Registrar and such certificate of authentication upon any Bond executed on behalf of the State shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of this Resolution.

Section 3.08 Exchange of Bonds.

Bonds, upon surrender thereof at the Corporate Trust Office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Holder or his duly authorized attorney, may, at the option of the registered Holder thereof, be exchanged for an equal aggregate principal amount of Bonds in authorized denominations of the same interest rate and maturity. So long as any of the Bonds remain Outstanding, the State shall make all necessary provisions to permit the exchange of the Bonds at the Corporate Trust Office of the Registrar.

Section 3.09 Transferability and Registry.

All Bonds shall at all times, when the same are Outstanding, be payable, both as to Principal Installment, Redemption Price and interest to a Person, and shall be transferable, only in accordance with the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds remain Outstanding, the State shall maintain and keep, at the Corporate Trust Office of the Registrar, books for the registration and transfer of Bonds, and, upon presentation thereof for such purpose at the Corporate Trust Office of the Registrar, the State shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Registrar may prescribe, any Bond, except that under no circumstances shall any Bond be registered or transferred to bearer. So long as any of the Bonds remain Outstanding, the State shall make all necessary provisions to permit the transfer of the Bonds at the Corporate Trust Office of the Registrar.

Section 3.10 Transfer of Bonds.

Each Bond shall be transferable only upon the books of the State, which shall be kept for such purpose at the Corporate Trust Office of the Registrar, upon presentation and surrender thereof by the Holder of such Bond or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of any such Bond, the State shall execute and the Registrar shall authenticate and deliver, in the name of the Person who is the transferee, one or more new Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond. All action taken by the Registrar pursuant to this section shall be deemed to be the action of the State.

Section 3.11 Regulations with Respect to Exchanges and Transfers.

All Bonds surrendered in any exchanges or transfers shall forthwith be cancelled by the Registrar. For each such exchange or transfer of the Bonds, the State or the Registrar may make a charge sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The State shall not be obligated to (i) issue, exchange or transfer any Bond during the 15 days next preceding any Bond Payment Date, (ii) issue, exchange or transfer any Bonds during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption, or (iii) transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 3.12 Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If any mutilated Bond is surrendered to the Registrar and the Registrar and the State receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and there is delivered to the Registrar or the State such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice that such Bond has been acquired by a bona fide purchaser, the State shall execute and, upon State Request, the Registrar shall authenticate and deliver, in exchange for any such mutilated Bond or in lieu of any such destroyed, lost or stolen Bond, a new Bond of like tenor, and principal amount and redemption provisions, bearing a number unlike that of a Bond contemporaneously Outstanding. The Registrar shall thereupon cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the State in its discretion may, instead of issuing a new Bond, pay such Bond.

(b) Upon the issuance of any new Bond under this Section 3.12, the State may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees or other fees, of the State or the Registrar connected therewith.

(c) Each new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond shall constitute an additional contractual obligation of the State, whether or not the destroyed, lost or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued pursuant to this Resolution. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section 3.13 Holder as Owner of Bond.

The State, the Registrar and any Paying Agent may treat the Holder of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal Installment, Redemption Price and interest on such Bond and for all other purposes, and payment of the Principal Installment, Redemption Price and interest shall be made only to, or upon the order of, such Holder. All payments to such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the State nor any Paying Agent shall be affected by any notice to the contrary.

Section 3.14 Cancellation of Bonds.

The Registrar shall destroy all Bonds surrendered to it for cancellation and shall deliver a certificate to that effect to the State. No such Bonds shall be deemed Outstanding under this Resolution and no Bonds shall be issued in lieu thereof.

Section 3.15 Payments Due on Saturdays, Sundays and Holidays.

In any case where the Bond Payment Date or redemption date shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of the interest on or Principal Installment or Redemption Price of the Bonds need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the Bond Payment Date and no interest shall accrue for the period after such date.

Section 3.16 Conditions Relating to Naming of Interest Rates.

The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds reflect the lowest interest cost to the State at a price of not less than par, but:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
- (b) no rate of interest named shall be more than six (6.00) percentage points;
- (c) a zero (0.0) percentage point rate of interest is not permitted;

(d) each interest rate named shall be a multiple of 1/8th or 1/20th of one (1) percentage point;
and

(e) any premium offered must be paid in cash as a part of the purchase price;

provided, however, that the State Treasurer may determine, in his discretion and upon advice received, to waive, modify, amend, or vary the conditions described above (whether prior to the offer for sale of the Bonds, or subsequent to such offer but prior to the award of the Bonds), in order to (i) limit net Bond proceeds, (ii) maintain compliance with constitutional and statutory debt limitations, (iii) maintain level annual debt service within each Fiscal Year, (iv) achieve a more favorable interest rate at the sale of the Bonds and (v) establish a maximum interest rate or maximum interest rates as necessary to maintain compliance with the provisions of the Enabling Act. In addition to the foregoing, the State Treasurer may establish additional terms and conditions for the sale of the Bonds, not inconsistent herewith, prior to the publication of the Notice of Sale (as defined herein).

Section 3.17 Tax Exemption in South Carolina.

Both the Principal Installments and interest on the Bonds shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed by the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes.

Section 3.18 Pledge of Full Faith, Credit and Taxing Power.

For the payment of the Principal Installment and interest on the Bonds as the same respectively mature, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged. In accordance with the provisions of Section 11-29-30 of the South Carolina Code, and in order to provide for the punctual payment of the Principal Installments and interest on the Bonds herein authorized, the State Treasurer is directed to set aside from the Tuition Fees received in each Fiscal Year in which the interest on and Principal Installment of the Bonds are due or will become due so much of the revenues derived from such Tuition Fees as may be necessary in order to pay the interest on and the Principal Installment of all Bonds falling due in such Fiscal Year and the State Treasurer shall thereafter apply such moneys to the punctual payment of such principal and interest as the same respectively fall due. In the event that the revenues derived from the Tuition Fees so pledged prove insufficient to meet the payments of the interest on and the Principal Installment of such Bonds in such Fiscal Year, then the State Treasurer is authorized and directed to set aside from the general tax revenues of the State received in such Fiscal Year so much of such general tax revenues as become needed for such purpose and to apply the same to the punctual payment of the interest on and the Principal Installment of such Bonds due or to become due in such Fiscal Year.

In accordance with the provisions of Article X, Section 13, Paragraph 4 of the South Carolina Constitution if any time any payment of Principal Installment of or interest on the Bonds shall not be paid as and when the same become due and payable, the State Comptroller General shall forthwith levy and the State Treasurer shall collect an *ad valorem* tax without limit as to rate or amount upon all taxable property within the State sufficient to meet the payment of the Principal Installments and interest on the Bonds then due.

Section 3.19 Tuition Fee Deposits.

As provided in Section 59-107-180 of the Enabling Act, the State Treasurer shall establish a special fund into which all Tuition Fees shall be deposited and applied to the payment of principal, interest and premium, if any, on the Bonds. The State Treasurer further shall establish for the Bonds a “special debt service and reserve fund” within this special fund as prescribed by Section 59-107-180 of the Enabling Act. Such special fund and the “special debt service and reserve fund” therein shall be maintained at all times as provided in said Section 59-107-180 of the Enabling Act.

Section 3.20 Bonds Issued in Book-Entry Only Form.

(a) Unless otherwise determined by the State Treasurer, the Bonds will initially be issued under a book-entry only system in fully registered form, registered in the name of Cede & Co. as the registered owner and securities depository nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as initial securities depository for the Bonds. So long as the Bonds are being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bonds will be effected pursuant to rules and procedures established by such securities depository. DTC and any successor securities depositories are hereinafter referred to as the “Securities Depository.” Cede & Co. and successor securities depository nominees are hereinafter referred to as the “Securities Depository Nominee.”

(b) So long as a book-entry system is in effect for the Bonds, the Securities Depository Nominee will be recognized as the Holder of the Bonds for the purposes of (i) paying the Principal Installment or Redemption Price of and interest on such Bonds, (ii) if Bonds are to be redeemed in part, selecting the portions of such Bonds to be redeemed, (iii) giving any notice permitted or required to be given to Bondholders under this Resolution, (iv) registering the transfer of Bonds, and (v) requesting any consent or other action to be taken by the Holders of such Bonds, and for all other purposes whatsoever, and the State shall not be affected by any notice to the contrary.

(c) The State shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in any Bonds which are registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as Holder of such Bonds.

(d) The State shall pay the Principal Installment, Redemption Price and interest on Bonds issued under a book-entry system only to the Securities Depository or the Securities Depository Nominee, as the case may be, for such Bonds, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the Principal Installment and interest on such Bonds.

(e) In the event that the State determines that it is in the interest of the State to discontinue the book-entry system of transfer for the Bonds, or that the interests of the beneficial owners of the Bonds may be adversely affected if the book-entry system is continued, then the State shall notify the Securities Depository of such determination. In such event, the Registrar and Paying Agent shall authenticate, register and deliver physical certificates for the Bonds in exchange for the Bonds registered in the name of the Securities Depository Nominee.

(f) In the event that the Securities Depository for the Bonds discontinues providing its services, the State shall either engage the services of another Securities Depository or arrange with a Registrar and Paying Agent for the delivery of physical certificates in the manner described in subsection (e) above.

(g) In connection with any notice or other communication to be provided to the Holders of Bonds by the State or by the Registrar and Paying Agent with respect to any consent or other action to be taken by the Holders of Bonds, the State or the Registrar and Paying Agent, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository Nominee notice of such record date not less than 15 days in advance of such record date to the extent possible.

(h) At the closing of the Bonds and the delivery of the same to the purchaser thereof through the facilities of DTC, the Paying Agent and Registrar may maintain custody of Bond certificates on behalf of DTC in accordance with DTC's "FAST" closing procedures.

(i) For as long as the Bonds are being held under a book-entry system of a securities depository, the State shall remit to the Paying Agent and Registrar by 1:00 p.m. New York time on each Bond Payment Date funds for all principal and interest payments due thereupon, or at such earlier time as required by the Paying Agent and Registrar to guarantee that DTC or successor Securities Depository will receive payment in same-day funds by 2:30 p.m. New York time on such Bond Payment Date. In addition, automated payment details receipt shall be provided by the Paying Agent by 12:00 noon New York time of each Bond Payment Date for interest payments and by 2:30 p.m. New York time for redemption and corporate action payments.

Section 3.21 Form of Bonds.

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

Section 3.22 Borrowing in Anticipation of Issuance of Bonds.

Pursuant to the BAN Act, there may be issued from time to time at the discretion of the Governor and the State Treasurer BANs in aggregate principal amount not exceeding \$20,210,000 in anticipation of the issuance of Bonds. If BANs are issued and if, upon the maturity thereof the Governor and the State Treasurer should determine that it would be in the best interest of the State to renew or refund the BANs, they are authorized to renew or refund the BANs from time to time until the Governor and the State Treasurer determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

(a) The BANs shall be dated and bear interest from the Dated Date thereof, payable upon the stated maturity thereof and shall mature on such dates as determined by the State Treasurer, provided that no BAN shall mature on a date which is later than one year following the issuance thereof. Interest on the BANs shall be calculated on the basis of a 360-day year of twelve 30-day months. The BANs shall be payable, both as to principal and interest, in legal tender upon maturity, at the principal office of the Paying Agent. The BANs may be issued in denominations of \$1,000 and integral multiples thereof. The BANs shall be executed in the name and on behalf of the State by the manual or facsimile signature of the Governor and the State Treasurer with the Great Seal of the State (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon and attested by the Secretary of State. BANs bearing the manual or facsimile signature of any Person who shall have been such an Authorized Officer at the time such BANs were so executed shall bind the State notwithstanding the fact that he may have ceased to be such Authorized Officer prior to the authentication and delivery of such BANs or was not such Authorized Officer at the date of the authentication and delivery of the BANs.

(b) The State Treasurer shall appoint a financial institution maintaining corporate trust offices to serve as Registrar and Paying Agent for the BANs.

(c) The Authority hereby authorizes the State Treasurer to cause to be prepared and to “deem final” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission a preliminary official statement relating to the BANs and to cause to be prepared and to approve a final official statement following the sale of the BANs. The Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the BANs. If the BANs are offered and sold to a financial institution to be held for its own account, the State Treasurer will not be required to (i) prepare a preliminary official statement or final official statement if such purchaser executes and delivers an investment letter in form and content acceptable to the State Treasurer, or (ii) undertake any obligation to deliver a Continuing Disclosure Undertaking.

(d) The BANs may be sold at public or private sale. Bids therefor shall be received until such time and date to be selected by the State Treasurer. Notice of sale of the BANs shall be given in a manner determined by the State Treasurer. Upon receipt of bids for the BANs, the Governor and the State Treasurer shall, and they are hereby authorized to, award the BANs to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the notice of sale and determined at the State Treasurer’s discretion, without further action on the part of the Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award.

(e) The BANs shall be issued in such form and with such terms and conditions, not inconsistent with this Resolution, as shall be determined by the State Treasurer. No BAN shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such BAN a certificate of authentication duly executed by the manual signature of the Registrar and such certificate of authentication upon any BAN executed on behalf of the State shall be conclusive evidence that the BAN so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of the Resolution.

(f) The BANs shall be issued in fully registered form either (i) under a book-entry only system, registered in the name of Cede & Co. as the registered owner and securities depository nominee of DTC, or (ii) in physical form registered the name of the Holder, as specified by the Governor and the State Treasurer, who may permit the purchaser to make such determination. Conditions as to ownership, exchange, transfer, replacement and payment of BANs shall be as provided for Bonds herein, except as expressly provided in this Resolution to the contrary. The BANs may, at the discretion of the State Treasurer, be subject to redemption prior to their stated maturity, on such terms and conditions as the State Treasurer may prescribe, except that the maximum premium to be paid for prior redemption shall not exceed one half of one per centum (1/2%).

(g) For the payment of the principal of and interest on the BANs as the same shall fall due, the full faith, credit, and taxing power of the State shall be pledged. In addition thereto, so much of the principal proceeds of the Bonds when issued shall and is hereby directed to be applied, to the extent necessary, to the payment of the BANs; and, further, the State covenants and irrevocably pledges to effect the issuance of the Bonds or, in the alternative, to refund or renew Outstanding BANs in order that the proceeds thereof will be sufficient to provide for the retirement of any BANs issued pursuant hereto.

(h) Proceeds from the sale of the BANs shall be applied in the manner as provided by Section 6.01 herein for Bonds.

(i) Both the principal of and interest on the BANs shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State, direct or indirect,

general or special, whether imposed for the purpose of general revenue or otherwise, except estate or other transfer taxes, and certain fees or franchise taxes.

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

(k) Without limiting the generality or specifics of any other provision in this Resolution, the term “Bonds” as used in Articles VII, VIII, IX and X shall include BANs.

[End of Article III]

ARTICLE IV
REDEMPTION OR PURCHASE OF BONDS

Section 4.01 Authorization of Redemption.

The Bonds may be subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State Treasurer, upon such dates and at such Redemption Prices as shall be determined by the State Treasurer.

Section 4.02 State's Election to Redeem.

In the event that the State shall elect to redeem Bonds, it shall give notice by State Request to the Registrar and Paying Agent of each optional redemption, which notice may be conditional in the discretion of the State Treasurer. Each State Request shall specify the date fixed for redemption and the Bonds which are to be redeemed. Such notice shall be given at least 60 days prior to the date fixed for redemption or such lesser number of days as shall be acceptable to the Registrar.

Section 4.03 Notice of Redemption.

(a) When any Bonds are to be redeemed, the Registrar shall give notice of the redemption of the Bonds in the name of the State specifying: (i) the Bonds, the particular Series thereof, and maturities to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers and other distinguishing marks of the Bonds to be redeemed unless all of the Bonds Outstanding are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; (vi) whether the redemption of the Bonds is conditioned upon any event; and (vii) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section unless such condition has been satisfied as of the redemption date. The Registrar shall mail by registered mail a copy of such notice, postage prepaid, not less than 30 days before the redemption date to the registered Holders of all the Bonds or portions of the Bonds which are to be redeemed at their addresses which appear upon the registration books, but failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of the Bonds held by Holders to whom written notice has been mailed. The obligation of the Registrar to give the notice required by this Section shall not be conditioned upon the prior payment to the Paying Agent of money or the delivery to the Paying Agent of Authorized Investments or Government Obligations sufficient to pay the Redemption Price of the Bonds to which such notice relates or the interest thereon to the redemption date.

(b) Notice of redemption having been given as provided in subsection (a) hereof, the Bonds or portions thereof so to be redeemed shall, on the date fixed for redemption, become due and payable at the Redemption Price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or portions thereof shall be paid at the Redemption Price, plus accrued interest to the redemption date; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section until such condition has been satisfied as of the redemption date. On and after the redemption date (unless the State shall default in the payment of the Redemption Price and accrued interest, or any conditional provision in the notice shall not have been satisfied as of the redemption date), such Bonds shall cease to bear interest, and such Bonds shall no longer be considered as Outstanding hereunder. If money sufficient to pay the Redemption Price and accrued interest has not been made

available by the State to the Paying Agent on the redemption date, such Bonds shall continue to bear interest until paid at the same rate as they would have borne, had they not been called for redemption, until the same shall have been paid.

Section 4.04 Selection by Registrar of Bonds to be Redeemed.

(a) If less than all of the Bonds of like maturity are to be redeemed, the particular Bonds or portions of the Bonds to be redeemed shall be selected, not less than 45 days prior to the date fixed for redemption, by the Registrar by lot or in such other manner as the Registrar may deem to be appropriate, provided, however, that for so long as the Bonds are held in book-entry only form, the selection of Bonds to be redeemed hereunder shall be in accordance with the rules of the Securities Depository.

(b) In making such selection, the Registrar shall treat each Bond to be redeemed as representing that number of Bonds of the lowest authorized denomination as is obtained by dividing the principal amount of such Bond by such denomination. If any Bond is to be redeemed in part, the portion to be so redeemed shall be in a principal amount of an authorized denomination.

(c) The Registrar shall promptly notify the State in writing of the Bonds so selected for redemption.

Section 4.05 Deposit of Redemption Price.

On or before any date fixed for redemption of any Bonds, cash and/or a principal amount of non-callable Government Obligations maturing or redeemable at the option of the Holder thereof not later than the date fixed for redemption which, together with income to be earned on such Government Obligations prior to such date fixed for redemption, will be sufficient to provide cash to pay the Redemption Price of and accrued interest on all Bonds or portions thereof which are to be redeemed on such date, shall be deposited with the Paying Agent unless such amount shall have been previously deposited with the Paying Agent. Provided, however, that in the event of a conditional redemption such condition is not met, this Section 4.05 is inapplicable.

Section 4.06 Partial Redemption of Bonds.

In the event part but not all of a Bond Outstanding shall be selected for redemption, upon presentation and surrender of such Bond by the Holder thereof or his attorney duly authorized in writing (with, if the State or the Registrar so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the State and the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) to the Registrar, the State shall execute and the Registrar shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of any authorized denomination of like tenor. Bonds so presented and surrendered shall be cancelled in accordance with Section 3.14 hereof.

Section 4.07 Purchases of Bonds Outstanding.

Purchases of Bonds Outstanding may also be made by the State at any time with money available to it from any source. Upon any such purchase the State shall deliver such Bonds to the Registrar for cancellation.

[End of Article IV]

ARTICLE V SALE OF BONDS

Section 5.01 Determination of Time to Receive Bids; Form of Notice of Sale.

(a) The Bonds shall be sold at public sale on such terms as may be prescribed by the State Treasurer. Bids shall be received until such time and date to be selected by the State Treasurer. The form of the notice of sale shall be substantially similar to that set forth in Exhibit G attached hereto (the “Notice of Sale”) and made a part hereof. The Notice of Sale, or, at the election of the State Treasurer, a summary thereof, shall be published in a financial paper published in the City of New York, New York, which regularly publishes notices of sale of state or municipal bonds, which Notice of Sale shall each appear at least once and not less than seven days before the date set for said sale. The Notice of Sale may be combined with a notice of sale for other general obligation bonds of the State being offered for sale at the same time, if any.

(b) The Bonds authorized hereby, if so determined by the State Treasurer, may be issued in the form of a single instrument, subject to the following terms and conditions: (i) the Dated Date of the Bond shall be the date determined by the State Treasurer, and the Bond shall bear interest from such date; (ii) the references to “Bonds” throughout the Resolution shall be understood to refer to the single instrument authorized by this Section 5.01(b); (iii) the State Treasurer may require that the Bond bear a single, fixed rate of interest; (iv) the form of the Bonds as set forth in Exhibit F hereto and the Notice of Sale as set forth in Exhibit G hereto shall be appropriately modified; (v) the State Treasurer may determine that the State will not undertake any obligation to deliver a Continuing Disclosure Undertaking as provided in Exhibit H hereto; (vi) the State Treasurer may determine that the Bond shall not be issued in book-entry-only form, and, in lieu thereof, shall be registered directly in the name of the Holder as directed by the purchaser thereof; and (vii) the State Treasurer may determine that an official statement shall not be prepared in connection with the sale of the Bond.

Section 5.02 Award of Bonds.

Upon receipt of bids for the Bonds, the Governor and the State Treasurer shall, and they are hereby authorized to, award the Bonds to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the Notice of Sale and determined at the State Treasurer’s discretion, without further action on the part of the Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award. The State shall have the right to reject all proposals and to re-advertise the Bonds for sale. Any proposal not conforming to the Notice of Sale may be rejected, but the State shall have the right to waive technicalities.

Section 5.03 Official Statement.

The Authority hereby authorizes the State Treasurer to prepare or cause to be prepared and to “deem final,” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, a preliminary official statement relating to the Bonds and to prepare or cause to be prepared and to approve a final official statement following the sale of the Bonds. The Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the Bonds.

Section 5.04 Combined Sales.

If the State Treasurer deems it prudent, the Bonds may be sold in combination with other series of general obligation bonds of the State, the issuance of which shall have been properly authorized and the form and details for which may be provided for in the same preliminary official statement and same final official statement as that for the Bonds.

[End of Article V]

ARTICLE VI
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments.

(a) The proceeds derived from the sale of the Bonds shall be applied and disposed of as follows:

 (i) accrued interest, if any, shall be applied to the payment of the first installment of interest to become due on the Bonds;

 (ii) the premium, if any, shall be applied as determined by the State Treasurer;

 (iii) the remaining proceeds of the Bonds shall be segregated by the State Treasurer for the account of the University and shall be applied to pay all or a portion of the costs of the Project or to repay the BANs, as applicable; and

 (iv) any remaining proceeds may be used for the payment of the costs of issuing the Bonds.

(b) Pending the use of Bond proceeds as provided in Sections 6.01(a) of this Section, the same shall be invested and reinvested by the State Treasurer in Authorized Investments. The investment earnings therefrom may be used either for any lawful purpose of the State, including for the purposes described in Section 6.01(a) above, or, if so required by the Code, to make any necessary rebate to the United States Government.

(c) Neither the purchaser of the Bonds nor any registered Holder of the Bonds shall be liable for the proper application of the proceeds of the Bonds or the BANs.

[End of Article VI]

ARTICLE VII
DEFEASANCE OF BONDS

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

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

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

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

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

(d) Subject to the provisions of Section 59-107-200 of the Enabling Act, if applicable, if the State shall elect to provide for the payment of the Bonds prior to their stated maturities and shall have deposited with the Escrow Agent in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with said Escrow Agent at the same time, shall be sufficient to pay when due the Principal Installment or Redemption Price to become due on their maturity dates or redemption dates, as the case may be, on the Bonds on and prior to their maturity dates or redemption dates, and interest due on the Bonds on or prior to their maturity or redemption dates, as the case may be. In the event that the State shall elect to redeem Bonds prior to their stated maturities, the State shall proceed in the manner prescribed by Article IV hereof, subject to the provisions of Section 3.20 in the event that at the time of such election the Bonds Outstanding are issued in book-entry only form.

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

Section 7.02 Notice of Defeasance.

Upon the defeasance of the Bonds, all notices required by the South Carolina Code and the Continuing Disclosure Undertaking shall be given.

[End of Article VII]

ARTICLE VIII
CONCERNING THE FIDUCIARIES

Section 8.01 Fiduciaries; Appointment and Acceptance of Duties.

Each Fiduciary shall accept the duties and trusts imposed upon it by this Resolution and shall agree in writing to perform such trusts but only upon the terms and conditions set forth in this Article VIII. Similarly, each financial institution appointed as a successor Registrar, a successor Paying Agent or successor Escrow Agent shall signify its acceptance of the duties and trusts imposed by this Resolution by a written acceptance.

Section 8.02 Responsibilities of Fiduciaries.

The recitals of fact herein and in the Bonds contained shall be taken as the statements of the State and no Fiduciary assumes any responsibility for the correctness of the same except in respect of the authentication certificate of the Registrar endorsed on the Bonds. No Fiduciary makes any representations as to the validity or sufficiency of this Resolution or of any Bonds or as to the security afforded by this Resolution, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof or to advance any of its own moneys, unless indemnified to its reasonable satisfaction. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Section 8.03 Evidence on Which Fiduciaries May Act.

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the State, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

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

Section 8.04 Compensation.

The State shall pay to each Fiduciary from time to time reasonable compensation based on the then standard fee schedule of the Fiduciary for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution; provided, however, that any specific agreement between the State and a Fiduciary with respect to the compensation of such Fiduciary shall control the compensation to be paid to such Fiduciary.

Section 8.05 Certain Permitted Acts.

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

Section 8.06 Resignation of Any Fiduciary.

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

Section 8.07 Removal of Fiduciary.

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

Section 8.08 Appointment of Successor Fiduciaries.

(a) In case any Fiduciary hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the State Treasurer. Every such Fiduciary appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State, having a stockholders' equity of not less than \$75,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable and customary terms.

(b) If in a proper case, no appointment of a successor Fiduciary shall be made by the State Treasurer pursuant to the foregoing provisions of this Section within 45 days after any Fiduciary shall have given to the State Treasurer written notice as provided in Section 8.06 hereof or after a vacancy in the office of such Fiduciary shall have occurred by reason of its removal or inability to act, the former Fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor.

Section 8.09 Transfer of Rights and Property to Successor.

Any successor Fiduciary appointed under this Resolution shall execute, acknowledge and deliver to its predecessor, and also to the State, an instrument accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary, with like effect as if originally named in such capacity; but the Fiduciary ceasing to act shall nevertheless, upon State Request, or of the successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of the predecessor Fiduciary in and to any property held by it under this Resolution, and shall pay over, assign and deliver to the successor Fiduciary any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the State be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the State. Any such successor Fiduciary shall promptly notify the other Fiduciaries, if any, and any depository of its appointment as Fiduciary.

Section 8.10 Merger or Consolidation.

Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act; provided, however, such company shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Resolution; and further provided, however, that such company otherwise meets the qualifications for successor Fiduciaries set forth in Section 8.08 herein.

Section 8.11 Adoption of Authentication.

In case any of the Bonds contemplated to be issued under this Resolution shall have been authenticated but not delivered, any successor Registrar may adopt the certificate of authentication of any predecessor Registrar so authenticating such Bonds and deliver such Bonds so authenticated. In case any such Bonds shall not have been authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in the name of the successor Registrar, and in all such cases such certificate shall be of full force and effect.

[End of Article VIII]

ARTICLE IX
FEDERAL TAX CONSIDERATIONS

Section 9.01 Compliance with the Code.

The State will comply with all requirements of the Code in order to preserve the tax-exempt status of interest on the Bonds, including without limitation, (i) the requirement to file Form 8038-G, *Information Return for Tax-Exempt Government Obligations*, with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) of the Code. In this connection, the State covenants to execute any and all agreements, certificates and other documentation as it may be advised by bond counsel will enable it to comply with this Article IX, and such agreements, certificates and other documentation may be executed by an Authorized Officer.

Section 9.02 Tax Representations and Covenants.

The State hereby represents and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the Holders thereof for federal income tax purposes pursuant to the provisions of the Code and the United States Treasury Regulations (the “Regulations”). Without limiting the generality of the foregoing, the State represents and covenants that:

(a) All property financed or refinanced with the proceeds of the Bonds will be owned by the State or a political subdivision thereof so long as the Bonds are Outstanding in accordance with the rules governing the ownership of property for federal income tax purposes.

(b) The State shall not use, and will not permit any party to use, the proceeds of the Bonds in any manner that would result in (i) five percent (5%) or more of such proceeds being considered as having been used in a Private Business Use; or (ii) an amount greater than the lesser of five percent (5%) of such proceeds or \$5,000,000 being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

(c) The State is not a party to, and will not enter into or permit any other party to enter into, any contract with any person involving the management of any facility financed or refinanced with the proceeds of the Bonds or by notes paid by the Bonds that does not conform to the guidelines set forth in Revenue Procedure 2017-13, or a successor revenue procedure, Code provision or Regulations.

(d) The State will not sell, or permit any other party to sell, any property financed or refinanced with the Bonds to any person unless it obtains an opinion of nationally recognized bond counsel that such sale will not affect the tax-exempt status of the Bonds.

(e) The Bonds will not be “federally guaranteed” within the meaning of Section 149(b) of the Code. The State shall not enter into, or permit any other party to enter into, any leases or sales or service contract with any federal government agency with respect to any facility financed or refinanced with the proceeds of the Bonds and will not enter into any such leases or contracts unless it obtains the opinion of nationally recognized bond counsel that such action will not affect the tax-exempt status of the Bonds.

Section 9.03 Arbitrage Bonds.

The State hereby covenants and agrees with the Holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds, would have caused the Bonds to be “arbitrage bonds,” as defined in the Code, and to that end the State hereby shall:

(a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any Regulations so long as the Bonds are Outstanding;

(b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code and Regulations relating to required rebate of certain amounts to the United States Government;

(c) make such reports of such information at the time and places required by the Code and Regulations; and

(d) take such other action as may be required to assure that the tax-exempt status of the Bonds will not be impaired.

Section 9.04 Taxable Series and Taxable BANS; Inapplicability of this Article.

The State Treasurer is hereby authorized to designate a Series of Bonds as a Taxable Series. The provisions of the preceding Sections of this Article IX shall not apply to Bonds of a Taxable Series.

[End of Article IX]

ARTICLE X MISCELLANEOUS

Section 10.01 Failure to Present Bonds.

Any money held by the Paying Agent in trust for the payment and discharge of any of the Bonds, or the interest thereon, which remains unclaimed for such period of time, after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, that the Holder thereof shall no longer be able to enforce the payment thereof, the Paying Agent shall at the written request of the State pay such money to the State as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the State for the payment of such Bonds; provided, however, the Paying Agent shall forward to the State all moneys which remain unclaimed during a period five years from a Bond Payment Date; and further provided, however, that before being required to make any such payment to the State, the Paying Agent, at the expense of the State, may conduct such investigations as may in the opinion of the Paying Agent be necessary to locate the Holders of those who are entitled to take such funds.

Section 10.02 Severability of Invalid Provisions.

If any one or more of the covenants or agreements provided in this Resolution should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Resolution.

Section 10.03 Resolution to Constitute Contract.

In consideration of the purchase and acceptance of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Resolution, with the exception of the findings of fact in Article I hereof, shall be deemed to be and shall constitute a contract between the State and the Holders from time to time of the Bonds, and such provisions are covenants and agreements with such Holders which the State hereby determined to be necessary and desirable for the security and payment thereof. The pledge hereof and the provisions, covenants, and agreements herein set forth to be performed on behalf of the State shall be for the equal benefit, protection, and security of the Holders of any and all of the Bonds, all of which shall be of equal rank without preference, priority or distinction of any Bonds over any other Bonds.

Section 10.04 Execution of Closing Documents and Certificates.

The Governor, the State Treasurer, the Secretary of State and any other officers or employees of the State are fully authorized and empowered to take such further action and to execute and deliver such closing documents and certificates as may be necessary and proper in order to complete the issuance of the Bonds herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents, in such form as he or they shall approve, is hereby fully authorized.

Section 10.05 Filing of Copies of Resolution.

Copies of this Resolution shall be filed in the offices of the Authority, the office of the Secretary of State (as a part of the Transcript of Proceedings filed for each Series of Bonds), and with the offices of each Paying Agent and Registrar for each Series of Bonds.

Section 10.06 Benefits of Resolution Limited to the State and Holders of the Bonds.

With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or should be construed to confer upon or give to any Person other than the State and the Holders of the Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the State and the Holders from time to time of the Bonds as herein and therein provided.

Section 10.07 No Personal Liability.

No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the State contained in this Resolution or the Bonds, against any member of the Authority, any officer or employee, as such, in his or her individual capacity, past, present or future, of the State, either directly or through the State, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Resolution and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer or employee as such, past, present or future, of the State, either directly or by reason of any of the obligations, covenants, promises or agreements entered into between the State and Bondholders or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the adoption of this Resolution and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Bonds, expressly waived and released. The immunity of members of the Authority, officers and employees of the State under the provisions contained in this Section shall survive the termination of this Resolution.

Section 10.08 Continuing Disclosure.

(a) In accordance with Section 11-1-85 of the South Carolina Code, the Authority hereby covenants to file with a central repository for availability in the secondary bond market when requested: (i) an annual independent audit, within 30 days of the State's receipt of the audit; and (ii) event specific information, within 30 days of an event adversely affecting more than five percent of the State's revenue or tax base. The only remedy for failure by the State to comply with the covenant in this Section 10.08 shall be an action for specific performance of this covenant. The Authority specifically reserves the right to amend this covenant to reflect any change in said Section 11-1-85 without the consent of any Bondholder.

(b) In addition, the State hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Failure of the State to comply with the Continuing Disclosure Undertaking shall not be considered an event of default hereunder; provided, however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the State to comply with its obligations under this Section 10.08(b). The Continuing Disclosure Undertaking shall be executed by the State Treasurer prior to the delivery of the Bonds and shall be substantially in such form as is set forth in Exhibit H

hereto, together with such modifications and amendments thereto as shall be deemed necessary by the State Treasurer upon advice of counsel. Additionally, the form of the Continuing Disclosure Undertaking shall be amended and modified as necessary to comply with any rules or regulations promulgated by the United States Securities and Exchange Commission. The execution of the Continuing Disclosure Undertaking shall constitute conclusive evidence of the approval by the State Treasurer of any and all modifications and amendments thereto.

Section 10.09 Law and Place of Enforcement of the Resolution.

This Resolution shall be construed and interpreted in accordance with the laws of the State and all suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State.

Section 10.10 Effect of Article and Section Headings and Table of Contents.

The heading or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 10.11 Repeal of Inconsistent Resolutions.

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

Section 10.12 Effectiveness of this Resolution.

This Resolution shall become effective upon its adoption.

[End of Article X]

EXHIBIT A

DEBT SERVICE REQUIREMENTS
ON ALL STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

Fiscal Year Ending	Existing Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ -	\$ -	\$ -
June 30, 2024	3,170,000	1,613,275	4,783,275
June 30, 2025	2,445,000	1,475,650	3,920,650
June 30, 2026	2,565,000	1,353,400	3,918,400
June 30, 2027	2,705,000	1,225,150	3,930,150
June 30, 2028	2,835,000	1,089,900	3,924,900
June 30, 2029	2,985,000	948,150	3,933,150
June 30, 2030	3,105,000	824,900	3,929,900
June 30, 2031	3,240,000	696,350	3,936,350
June 30, 2032	2,190,000	561,950	2,751,950
June 30, 2033	2,270,000	480,850	2,750,850
June 30, 2034	2,355,000	396,550	2,751,550
June 30, 2035	2,440,000	308,900	2,748,900
June 30, 2036	2,530,000	217,900	2,747,900
June 30, 2037	985,000	123,300	1,108,300
June 30, 2038	1,010,000	93,750	1,103,750
June 30, 2039	1,040,000	63,450	1,103,450
June 30, 2040	1,075,000	32,250	1,107,250
Total	<u>\$ 38,945,000</u>	<u>\$ 11,505,675</u>	<u>\$ 50,450,675</u>

EXHIBIT B

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
SCHEDULE OF TUITION FEES IN EFFECT FOR PURPOSES OF
SECTIONS 59-107-10 ET SEQ., CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

Set forth below are the tuition and fees charged by each of the Academic Division's Colleges for resident and non-resident students for the 2022-2023 academic year (excluding the summer term) on an annual basis (except as shown):

	<u>In-State¹</u>	<u>Out-of-State¹</u>
Dental Medicine		
Doctor of Dental Medicine	\$17,150	\$30,000
Dental Scientist Training Program	7,905	7,905
Master of Science in Dentistry - Endodontics	20,338	20,338
Master of Science in Dentistry – Periodontics	3,218	3,902
Master of Science in Dentistry - Orthodontics	3,218	3,902
Master of Science in Dentistry – Digital Dentistry	20,167	20,167
Graduate Studies		
Master of Science in Biomedical Sciences	\$ 6,752	\$9,484
Master of Science in Clinical Research	6,887	10,538
Master of Science in Medical Sciences	7,025	10,538
Ph.D. Program	7,954	10,686
Health Professions		
Bachelor of Science in Healthcare Studies	\$4,900	\$4,900
Cardiovascular Perfusion	8,149	12,831
Master in Extracorporeal Science		6,000
Master in Genetic Counseling	9,000	12,831
Doctor of Nurse Anesthesia Practice - Post-Masters	7,724	7,956
Doctor of Nurse Anesthesia Practice - Post-Baccalaureate	7,724	11,397
Master in Health Administration-Executive	8,525	9,682
Master in Health Administration-Residential	8,525	12,828
Master of Science in Health Informatics	8,525	8,525
Master of Science in Speech Pathology	8,349	12,465
Master of Science in Physical Assistant Studies	8,274	14,787
Doctor of Health Administration – Health Professional	10,290	10,290
Doctor of Health Administration - Health Administrator	10,290	10,290
Doctor of Health Administration –Interprofessional	6,958	6,958
Doctor of Health Administration- Information Systems	6,958	6,958
Ph. D. in Health and Rehabilitation Science	6,202	6,569
Doctor of Physical Therapy	8,142	12,280
Doctor of Occupational Therapy	8,346	12,465
Medicine		
First Year	\$12,500	\$22,283

	<u>In-State¹</u>	<u>Out-of-State¹</u>
Second Year	10,800	19,333
Third Year	14,533	24,000
Fourth Year	14,122	25,826
Master of Public Health	6,752	10,538
Nursing		
Undergraduate-BSN	\$ 7,811	\$14,092
Undergraduate-RN-BSN	5,480	5,926
Graduate – DNP	8,116	10,542
Graduate & Ph.D.	8,116	10,332
Pharmacy		
Doctor of Pharmacy-First, Second, Third Years	\$13,413	\$13,413
Doctor of Pharmacy-Fourth Year	11,691	11,691
International Doctor of Pharmacy-First, Second, Third Years		20,208
International Doctor of Pharmacy-Fourth Year		17,505
Doctor of Pharmacy/Master of Science in Health Informatics (PharmD/MSHI) – Second & Third Year		
Fall Term		19,311
Spring Term	18,603	
– Fourth Year	16,008	16,362
Graduate Certificate Program in Clinical Pharmacy	14,286	14,640
	55,125	55,125

For the fiscal year ended June 30, 2022, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$15,185,306. The tuition and fees generated for the 2022 summer term are not included.

The maximum principal and interest debt service payment prior to the issuance contemplated herein is \$4,783,275, which occurs in the fiscal year ending June 30, 2024.

The maximum principal and interest debt service payment after the issuance contemplated herein is anticipated to be \$5,853,451*, which is anticipated to occur in the fiscal year ending June 30, 2024.

¹ All tuition per semester unless otherwise noted.

* Preliminary, subject to change.

EXHIBIT C

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
PRO-FORMA DEBT SERVICE REQUIREMENTS OF
NOT EXCEEDING \$20,210,000 STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2024	\$ 600,000	\$ 470,176	\$ 1,070,176
June 30, 2025	805,000	599,689	1,404,689
June 30, 2026	830,000	577,874	1,407,874
June 30, 2027	850,000	556,958	1,406,958
June 30, 2028	870,000	536,473	1,406,473
June 30, 2029	890,000	515,941	1,405,941
June 30, 2030	910,000	495,293	1,405,293
June 30, 2031	935,000	474,363	1,409,363
June 30, 2032	955,000	452,671	1,407,671
June 30, 2033	975,000	430,228	1,405,228
June 30, 2034	1,000,000	406,828	1,406,828
June 30, 2035	1,025,000	380,428	1,405,428
June 30, 2036	1,055,000	350,396	1,405,396
June 30, 2037	1,090,000	316,636	1,406,636
June 30, 2038	1,130,000	279,467	1,409,467
June 30, 2039	1,165,000	239,352	1,404,352
June 30, 2040	1,210,000	196,946	1,406,946
June 30, 2041	1,255,000	151,571	1,406,571
June 30, 2042	1,305,000	103,755	1,408,755
June 30, 2043	1,355,000	53,252	1,408,252
Total	<u>\$ 20,210,000</u>	<u>\$ 7,588,290</u>	<u>\$ 27,798,290</u>

* Preliminary, subject to change.

EXHIBIT D

SCHEDULE SHOWING PRO-FORMA TOTAL PRINCIPAL AND INTEREST REQUIREMENTS OF
ALL GENERAL OBLIGATION STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
INCLUDING THE PROPOSED ISSUE OF
TWENTY MILLION TWO HUNDRED TEN THOUSAND DOLLARS (\$20,210,000)
OF GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	Combined Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ -	\$ -	\$ -
June 30, 2024	3,770,000	2,083,451	5,853,451
June 30, 2025	3,250,000	2,075,339	5,325,339
June 30, 2026	3,395,000	1,931,274	5,326,274
June 30, 2027	3,555,000	1,782,108	5,337,108
June 30, 2028	3,705,000	1,626,373	5,331,373
June 30, 2029	3,875,000	1,464,091	5,339,091
June 30, 2030	4,015,000	1,320,193	5,335,193
June 30, 2031	4,175,000	1,170,713	5,345,713
June 30, 2032	3,145,000	1,014,621	4,159,621
June 30, 2033	3,245,000	911,078	4,156,078
June 30, 2034	3,355,000	803,378	4,158,378
June 30, 2035	3,465,000	689,328	4,154,328
June 30, 2036	3,585,000	568,296	4,153,296
June 30, 2037	2,075,000	439,936	2,514,936
June 30, 2038	2,140,000	373,217	2,513,217
June 30, 2039	2,205,000	302,802	2,507,802
June 30, 2040	2,285,000	229,196	2,514,196
June 30, 2041	1,255,000	151,571	1,406,571
June 30, 2042	1,305,000	103,755	1,408,755
June 30, 2043	1,355,000	53,252	1,408,252
Total	<u>\$ 59,155,000</u>	<u>\$ 19,093,965</u>	<u>\$ 78,248,965</u>

* Preliminary, subject to change.

EXHIBIT E

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
PROOF SHOWING COMPLIANCE WITH
TITLE 59, CHAPTER 107, CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

Aggregate of tuition fees received by the University during preceding fiscal year ended June 30, 2022	\$15,185,306
Multiplied by	90%
Produces	\$13,666,775
Maximum annual debt service on all State Institution Bonds of the University (including the proposed issue of not exceeding Twenty Million Two Hundred Ten Thousand Dollars (\$20,210,000) General Obligation State Institution Bonds issued on behalf of the University)	\$5,853,451 *
Margin	\$7,813,325

* Calculated as of June 27, 2023.

(FORM OF BOND)
(FACE OF BOND)UNITED STATES OF AMERICA
GENERAL OBLIGATION STATE INSTITUTION BOND
(ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA)
SERIES 2023
OF THE STATE OF SOUTH CAROLINA

No. R-1

<u>Rate of Interest</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
	____ 1, 20__	____ 1, 20__	

Registered Holder: CEDE & CO.Principal Amount: _____ DOLLARS (\$ _____)

THE STATE OF SOUTH CAROLINA (the "State") acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder named above, or registered assigns, the Principal Amount stated above, on the Maturity Date set forth above, unless this Bond be subject to redemption and shall have been redeemed prior thereto as hereinafter provided, upon presentation and surrender of this Bond at the Corporate Trust Office of _____, in the City of _____, State of _____ (the "Paying Agent"), and to pay interest on such Principal Amount at the Rate of Interest set forth above (calculated on the basis of a 360-day year consisting of twelve 30-day months), until the obligation of the State with respect to the payment of such Principal Amount shall be discharged.

So long as Cede & Co., as nominee of The Depository Trust Company ("DTC"), is the Registered Owner of the Bonds, references in this Bond to the Bondholders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners.

The State, the Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purpose of the payment of the principal of or interest or premium, if any, on the Bonds, giving any notice permitted or required to be given to Bondholders under the Resolution, hereinafter defined, registering the transfer of Bonds, obtaining any consent or action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The State, the Registrar and the Paying Agent shall not have any responsibility or obligation to any direct participant, any person claiming a beneficial ownership in the Bonds under or through DTC or any Direct Participant or any other person which is not shown on the Registration Books of the State (kept by the Registrar) as being a Bondholder with respect to: the accuracy of any records maintained by DTC or any Direct Participant; the payment by DTC or any Direct Participant of any amount in respect of the principal of or interest or premium, if any, on the Bonds; any notice which is permitted or required to be given to Bondholders thereunder or under the conditions for transfers or exchanges adopted by the State; or any consent given or other action taken by DTC as a Bondholder.

Interest on the Bonds is payable on ____ 1 and ____ 1 of each year (the "Bond Payment Dates") beginning ____ 1, 20___. The interest payable on any Bond Payment Date for any Bond shall be paid to the person in whose name the Bond is registered at the close of business on the 15th day next preceding such Bond Payment Date.

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

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

This Bond is one of an issue of Bonds in the aggregate principal amount of _____ dollars (\$_____,000) of like tenor, except as to registered owner, numbering, rate of interest, redemption provisions, and date of maturity, issued pursuant to and in accordance with the Constitution and statutes of the State of South Carolina, including, particularly the provisions of Chapter 107, Title 59 of the Code of Laws of South Carolina 1976, as amended, as supplemented by Sections 11-27-30 and 11-29-30 of the Code of Laws of South Carolina 1976, as amended, and a resolution (the "Resolution") duly adopted by the South Carolina State Fiscal Accountability Authority on _____, 20__.

[Insert Redemption Provisions]

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution. Certified copies of the Resolution are on file in the office of the Registrar, in the office of the Paying Agent and in the office of the Secretary of State of South Carolina.

For the payment of the principal of and interest on this Bond as the same respectively matures, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged.

This Bond and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

This Bond is issuable only as a fully registered Bond without coupons in denominations of \$1,000 and any whole multiple of \$1,000. This Bond is transferable, as provided in the Resolution, only upon the registration books kept for that purpose at the Corporate Trust Office of the Registrar by the Registered Holder in person or by his duly authorized attorney, upon (i) surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his duly authorized attorney; and (ii) payment of the charges, if any, prescribed in the Resolution. Thereupon a new fully registered Bond or Bonds of like series designation, maturity and interest rate, and in a like aggregate principal amount will be issued to the transferee in exchange therefor as provided in the Resolution. The State, the Paying Agent and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

The State shall not be obligated to issue, exchange or transfer this Bond during the 15 days next preceding any Bond Payment Date. For every exchange or transfer of the Bonds, the State, the Paying Agent, or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and Statutes of the State of South Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, that the amount of this Bond, together with all other indebtedness of the State of South Carolina, does not exceed any limit prescribed by such Constitution or Statutes, and that provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on this Bond and the issue of Bonds of which this Bond is one.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

IN WITNESS WHEREOF, the State of South Carolina has caused this Bond to be signed in its name by the manual or facsimile signatures of the Governor of South Carolina and the State Treasurer of South Carolina, the Great Seal of the State of South Carolina to be reproduced hereon and the same to be attested by the manual or facsimile signature of the Secretary of State of South Carolina.

THE STATE OF SOUTH CAROLINA

SEAL

Henry D. McMaster
Governor

Curtis M. Loftis, Jr.
State Treasurer

Attest:

Mark Hammond
Secretary of State

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Resolution.

[REGISTRAR], as Registrar

By: _____
Authorized Signatory

Date: _____, 20__

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(please print or type name and address of Transferee and Social Security or other identifying number of Transferee)

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints

_____,
attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

NOTE: The signature to this assignment must correspond with the name(s) on the face of the foregoing bond in every particular, without alteration.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("Stamp") or similar program.

The following abbreviations shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT _____	Custodian _____
TEN ENT --	as tenants by the entireties		(Cust) (Minor)
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	Under Uniform Gift to Minors Act of the State of _____	

Additional abbreviations may be used though not in the list above.

(FORM OF OFFICIAL NOTICE OF SALE)

OFFICIAL NOTICE OF SALE

\$ _____ *

STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA)
SERIES 2023

(BOOK-ENTRY ONLY)

ELECTRONIC BIDS for the purchase of the \$ _____ * General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series _____ of the State of South Carolina (the “Bonds”), will be received by the Governor of the State of South Carolina (the “Governor”) and the State Treasurer of the State of South Carolina (the “State Treasurer”), in the Office of the State Treasurer, Room 121, in the Wade Hampton Office Building, Capitol Complex, Columbia, South Carolina, 29201, until _____ a.m. (Eastern Time) on _____, _____, or on such other date and time as may be established by the Governor and the State Treasurer and communicated by Thomson Municipal Market Monitor (“TM3”) not later than 48 hours prior to the time the bids are to be received.

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

Authorization and Security. The Bonds are issued pursuant to (i) Article X, Section 13(6)(b) of the South Carolina Constitution, and (ii) Title 59, Chapter 107 of the South Carolina Code, as supplemented by Sections 11-27-30 and 11-29-30 of the South Carolina Code, and constitute general obligations of the State. On _____, 20____, the South Carolina State Fiscal Accountability Authority adopted a resolution providing for the issuance of the Bonds.

Description of the Bonds. The Bonds will initially be subject to a system of book-entry registration maintained by The Depository Trust Company, New York, New York (“DTC”). Principal of the Bonds when due will be paid upon presentation and surrender of such Bonds at the Corporate Trust Office of the Paying Agent. The Bonds will be dated as of the date of delivery thereof (“Dated Date”) expected to be on or about _____, 20____, and bear interest at a rate or rates to be named by the successful bidder (the “Purchaser”). Interest on the Bonds will be payable on _____ 1 and _____ 1 of each year commencing _____ 1, 20____. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on the Bonds will be paid in any coin or currency of the United States of America, which, at the time of payment, is legal tender for the payment of public and private debts. The Bonds will be issued in denominations of \$1,000 or any multiple thereof. The Bonds will mature on _____ 1 in the years and principal amounts as follows:

* Subject to adjustment as set forth herein.

_____ 1 Principal Amount*

_____ 1 Principal Amount*

Optional Redemption. The Bonds maturing on or prior to _____, 20____, are not subject to optional redemption prior to their maturity date. The Bonds maturing after _____, 20____ are subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State, on and after _____, 20____, at the redemption price of par plus accrued interest to the date fixed for redemption.

[Term Bonds. Bidders may designate in their bid two or more consecutive annual principal payments as a term bond which matures on the last Annual Principal Payment Date of the sequence. Any term bond so designated must be subject to mandatory sinking fund redemptions in each year on the Annual Principal Payment Dates such that the principal amounts subject to mandatory sinking fund redemption match the principal amounts scheduled to mature as set forth in the table above* and equal, together with the principal amount of such term bond due at its maturity, the principal amount of the term bond. There is no limitation on the number of term bonds.]

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

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

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

Electronic Bidding Procedures. Bids to purchase Bonds (all or none) must be submitted electronically via PARITY®. Bids will be communicated electronically to the State at _____ a.m. (Eastern Time) on _____, _____. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via PARITY®, (2) modify the proposed terms of its bid, in which event the proposed

*Subject to adjustment as set forth herein.

terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY® to the State, each bid will constitute an irrevocable and unconditional offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY® shall constitute the official time. The State will not accept bids by any means other than electronically via PARITY®.

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

CONDITIONS OF SALE

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

- (1) All Bonds of the same maturity must bear the same rate of interest;
- (2) No rate of interest named shall be more than six (6.0) percentage points;
- (3) A zero (0.0) percentage point rate of interest is not permitted;
- (4) Each interest rate named must be a multiple of 1/8th or 1/20th of one (1) percentage point;
- (5) Any premium offered must be paid in cash as a part of the purchase price; and

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

[Term bonds are not permitted.]

By submitting a bid, each bidder represents that the bidder's proposal is genuine, and not a sham or collusive, and is not made in the interest of or on behalf of any person not therein named, the bidder has not directly or indirectly induced or solicited any other bidder to submit a sham bid or any other person, firm or corporation to refrain from bidding, and the bidder has not in any manner sought by collusion to secure for it an advantage over any other bidder. By submitting a bid for the Bonds, each

bidder also represents and warrants to the State that (i) it has an established industry reputation for underwriting new issuances of municipal bonds; and (ii) such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

Good Faith Deposit. No good faith deposit will be required.

Basis of Award. If at least three bids are received and the competitive sale requirements under provision of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) are met, the Bonds will be awarded to the bidder offering to purchase all of the Bonds at the lowest interest cost to the State. The lowest interest cost shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the amount bid, not including interest accrued to the date of delivery (expected to be on or about _____, ____), if any.

Issue Price Determination. The State expects and intends that the bid for the Bonds will satisfy the federal tax requirements for a qualified competitive sale of bonds, including, among other things, receipt of bids for the Bonds from at least three underwriters, who have established industry reputations for underwriting new issuances of municipal bonds (a "Qualified Competitive Bid"). The State will advise the successful bidder as promptly as possible after the bids are opened whether the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that fails to satisfy such requirements (a "Nonqualified Competitive Bid").

If the bid is a Qualified Competitive Bid, as promptly as possible after the bids are opened, the State will notify the successful bidder, and such bidder, upon such notice, shall advise the State, of the reasonably expected Initial Offering Price, as applicable, of each maturity of each series of the Bonds. In addition, the winning bidder shall be required to provide to the State information to establish the initial expected offering prices for each maturity of each series of the Bonds for federal income tax purposes by completing a certificate acceptable to Bond Counsel to the State, on or before the date of issuance of the Bonds, substantially in the form set forth in Exhibit A to the Official Notice of Sale, with appropriate completions, amendments and attachments.

If the bid is a Nonqualified Competitive Bid, as promptly as possible after the bids are opened, the State will notify the successful bidder, and such bidder, upon such notice, shall advise the State of the initial sale price or Initial Offering Price, as applicable, of each maturity of each series of the Bonds. In addition, the winning bidder shall be required to provide to the State information and assurances to establish the initial sale price or the initial offering price to the public, as applicable, for each maturity of each series of the Bonds for federal income tax purposes by completing a certification acceptable to Bond Counsel in substantially the form set forth in Exhibit B attached to this Supplement to the Official Notice of Sale, with appropriate completions, omissions and attachments. **It is noted that procedures for a Nonqualified Competitive Bid may require the winning bidder and, if applicable, other underwriters of the Bonds, to hold the initial offering prices for certain maturities of a series of the Bonds for up to five business days after the sale date, as further specified in the form of such certification.**

Acceptance or Rejection of Bids. Bids will be accepted or rejected promptly after receipt and not later than by 2:00 p.m. (Eastern Time) on the day of the sale. In the event of tie lowest interest cost bids, the State shall select the Purchaser(s).

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

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

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

Documents to be Delivered at Closing. The State will furnish, without cost to the Purchaser, the Bonds and the opinions as to their validity by Pope Flynn, LLC, Bond Counsel. The State will also furnish opinions of The Honorable Alan Wilson, Attorney General of the State of South Carolina as to the absence of litigation restraining or enjoining the issuance and delivery of the Bonds.

Tax Opinion. The opinion of Bond Counsel will state that (a) interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the “Code”). Such interest is, however, taken into account in determining the annual adjusted financial statement income of certain applicable corporations (as defined in Section 59(k) of the Code) for the purpose of determining the application of the 15-percent alternative minimum tax imposed on the adjusted financial statement income of such corporations for tax years beginning after December 31, 2022; and (b) the Bonds and the interest thereon are exempt from all taxation by the State of South Carolina, its counties, municipalities, and school districts, except estate, transfer, and certain franchise taxes. The opinion will further state that the Code establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds remains excluded from gross income for federal income tax purposes. Noncompliance may cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds, regardless of the date on which such noncompliance occurs or is ascertained. The State has covenanted to comply with the requirements of the Code in the resolutions pursuant to which the Bonds are issued and, in rendering its opinion, Bond Counsel will assume compliance with such covenants.

Undertakings of the Purchaser. The Purchaser agrees to provide certificates, including, but not limited to, an issue price certificate in the form attached hereto either as Exhibit A or as Exhibit B, as applicable.

CUSIP Numbers. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Bonds. The State’s Financial Advisor will timely apply for CUSIP numbers with respect to the Bonds as required by MSRB Rule G-34. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the State. However, the CUSIP Global Services charge for the assignment of such numbers shall be the responsibility of and shall be paid by the Purchaser.

Official Statement. A Preliminary Official Statement dated on or about _____, 20____, with respect to the Bonds has been prepared by the State, and such Preliminary Official Statement is deemed final by the

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

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

Additional Information. Prospective purchasers may obtain, in advance of the sale, copies of the Preliminary Official Statement relating to the Bonds from (i) the MuniOS website, <http://www.MuniOS.com>; (ii) Robert Macdonald, Director Debt Management Division, Office of State Treasurer, 122 Wade Hampton Office Building, Columbia, South Carolina 29201 (telephone: (803) 734-2677; email: robert.macdonald@sto.sc.gov); or (iii) Samuel W. Howell IV, Disclosure Counsel, Howell Linkous & Nettles, LLC, The Lining House, 106 Broad Street, Charleston, South Carolina, 29401 (telephone: (843) 266-3801; email: samhowell@bond-law.com).

Henry D. McMaster, Governor of South Carolina

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

Dated _____, 20__

FORM OF ISSUE PRICE CERTIFICATE FOR
QUALIFIED COMPETITIVE BID

ISSUE PRICE CERTIFICATE

\$ _____ *

STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA),
SERIES 2023

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

1. Reasonably Expected Initial Offering Price.

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

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

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

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

2. Defined Terms.

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

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

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

* Subject to adjustment as set forth herein.

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

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

Signed this ____ day of _____, ____.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Offering Prices

Schedule B

Copy of Winning Bid

FORM OF ISSUE PRICE CERTIFICATE FOR
NONQUALIFIED COMPETITIVE BID

ISSUE PRICE CERTIFICATE

\$ _____^{*}
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA),
SERIES 2023

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

1. ***Sale of the General Rule Maturities.*** As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which 10% of such Maturity was sold by the Purchaser to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Purchaser offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Official Notice of Sale and bid award, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to the foregoing, no Underwriter has offered or sold any Maturity of the Hold-the-Offering Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of each series of the Bonds shown in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of each series of the Bonds listed in Schedule A hereto as the “*Hold-the-Offering-Price Maturities*.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the

^{*} Subject to adjustment as set forth herein.

Sale Date, or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the State of South Carolina.

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

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

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, _____, 20__.

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

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

Signed this ____ day of _____, 2023.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Initial Offering Prices of the Bonds

Schedule B

Copy of Winning Bid

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered this ____ day of ____, 20__, by the State of South Carolina (the “State”) in connection with the issuance of the State’s \$_____ General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 20__ (the “Bonds”).

The Bonds are being issued pursuant to a resolution adopted on ____, 20__ (the “Resolution”), by the State Fiscal Accountability Authority authorizing the issuance of the Bonds. The State covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the State for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the U.S. Securities and Exchange Commission (the “SEC”) Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution or elsewhere in this Disclosure Undertaking, which apply to any capitalized terms used in this Disclosure Undertaking, the following capitalized terms shall have the following meanings:

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

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

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

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

“Financial Obligation” as used in this Disclosure Undertaking is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” means any of the events listed in Section 5(a) of this Disclosure Undertaking.

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

“Official Statement” means the Official Statement dated ____, 20__, prepared in connection with the Bonds.

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

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

“State” means the State of South Carolina.

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

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

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

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

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

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

Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available;

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

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

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

(e) Total general obligation bonds per capita as set forth in the Official Statement under the heading “TABLES RELATING TO THE BONDS AND THEIR EFFECT ON THE DEBT OF THE STATE-Relationship of Population and Personal Income to General Obligations of the State.”

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

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

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, if material;
- (viii) Bond calls, if material and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;

- (xii) bankruptcy, insolvency, receivership or similar event of any obligated person, which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;
- (xiii) the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (xv) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

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

Section 8. Dissemination Agent. The State may, from time to time, appoint or engage a Dissemination Agent to assist it 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 State pursuant to this Disclosure Undertaking.

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

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

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

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

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

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

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

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and in any separate written agreement between the Issuer and the Dissemination Agent.

Section 13. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the State, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Undertaking is not intended to create any monetary rights on behalf of any person.

THE STATE OF SOUTH CAROLINA

Date: _____, 20__

By: _____
State Treasurer

EXHIBIT A

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

Issuer: The State of South Carolina

Obligations: \$_____ General Obligation State Institution Bonds (Issued on Behalf of
The Medical University of South Carolina), Series 2023

Date of Issuance: _____, 20__

CUSIP: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Resolution adopted on _____, 20__. The Issuer anticipates that the Annual Report will be filed by_____.

THE STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____



Pope Flynn, LLC
1411 Gervais Street, Suite 300
Post Office Box 11509 (29211)
Columbia, SC 29201
MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

[FORM OF BOND COUNSEL OPINION]

[Date of Delivery]

South Carolina State Fiscal Accountability Authority
Columbia, South Carolina

Re: \$_____ General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2023, of the State of South Carolina

Ladies and Gentlemen:

We have acted as bond counsel to the State of South Carolina (the “State”) in connection with the issuance of \$_____ General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2023, of the State of South Carolina (the “Bonds”), dated [Date of Delivery]. In such capacity, we have examined such laws and such certified proceedings and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to (i) Article X, Section 13(6)(b) of the South Carolina Constitution, (ii) Title 59, Chapter 107 of the South Carolina Code, as supplemented by Section 11-27-30 of the South Carolina Code and Section 11-29-30 of the South Carolina Code (the “Enabling Act”), and (iii) resolutions adopted on November 1, 2022 and June 27, 2023, by the South Carolina State Fiscal Accountability Authority, for the purpose of raising funds for purposes authorized by the Enabling Act, and to pay the costs of issuance of the Bonds.

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

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, that:

1. The Bonds are valid and legally binding general obligations of the State.
2. The full faith, credit, and taxing power of the State and, in addition, the revenues derived from Tuition Fees received by The Medical University of South Carolina are pledged to the payment of the principal of and interest on the Bonds as they become due and payable. Provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on the Bonds.
3. Interest on the Bonds (i) is excluded from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the federal alternative minimum

tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the “Code”). Such income is, however, taken into account in determining the annual adjusted financial statement income of certain applicable corporations (as defined in Section 59(k) of the Code) for the purpose of determining the application of the 15-percent alternative minimum tax imposed on the adjusted financial statement income of such corporations for tax years beginning after December 31, 2022.

Our opinion as to the exclusion of interest on the Bonds from gross income is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order for that interest to be, and continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date of issuance of the Bonds.

We express no opinion regarding any other federal tax consequences that may arise with respect to the Bonds.

4. Under existing law, both the Bonds and the interest thereon are exempt from all taxation by the State of South Carolina, its counties, municipalities, and school districts, except estate, transfer, and certain franchise taxes. Interest on the Bonds is currently subject to the tax imposed on banks by Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, which is enforced by the South Carolina Department of Revenue as a franchise tax.

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

We express no opinion regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement dated _____, 2023, or the Official Statement dated _____, 2023, relating to the Bonds.

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

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

Pope Flynn, LLC

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF June 28, 2023

REGULAR SESSION
ITEM NUMBER 8

AGENCY: Medical University of South Carolina

SUBJECT: Not Exceeding \$85,650,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2023

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$85,650,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2023.

The bonds will defray the cost to construct, equip and furnish an approximately 187,000 square foot building to be used by the University's College of Medicine with space for classrooms, office and support space for University faculty and staff, and (ii) expand and improve the existing mechanical facilities which supply chilled water to the northeast corner of the University's campus.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$85,650,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University Of South Carolina), Series 2023.

ATTACHMENTS:

Musser 5/22/2023 letter; SFAA Resolution; NDIF



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 06/28/23

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: State of South Carolina Series: 2023
Borrower (if not Issuer): Medical University of South Carolina
Bond Caption: General Obligation State Institution Bonds (Issued on behalf of Medical University of South Carolina)
Bond Resolution Amount: \$ 85,650,000 Est. Production/Par Amt: \$ 74,330,000

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

Submitted By:

ENTITY: Medical University of South Carolina
BY: Patrick Wamsley
ITS: Chief Financial Officer
Tel: 843.792.3557
Email: wamsleyp@musc.edu

Final Production/Par Amt: \$ -

Transaction Type/Method of Sale:

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

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

MSRB (EMMA) Continuing Disclosure Responsible Party: _____

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: College of Medicine
Project Address/Location: Main Campus, MUSC Amount: \$ 85,000,000
Project Type: Construct & Renovate Facilities County: Charleston
Projected Avg Interest Rate: 3.43% (All-in-TIC) Final Maturity: 04/01/43

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Ref. Bds)
		\$ -			\$ -	
		-			-	
		-			-	
Total		\$ -	*****	*****	\$ -	

4. FINANCING WORKING GROUP

Financial Advisor: PRAG Disclosure Counsel: Howell Linkous
Bond Counsel: Pope Flynn, LLC Issuer's Counsel: SC Attorney General
Underwriter: TBD-Competitive Sale Trustee: N/A
Paying Agent: US Bank Other: N/A

5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs, & the basis for these cost estimates. Use an attachment if needed)

The bonds will provide proceeds necessary to defray the costs of (i) constructing, equipping and furnishing an approximately 187,000 square foot building to be used by the University's College of Medicine with space for classrooms, office and support space for University faculty and staff, and (ii) expanding and improving the existing mechanical facilities which supply chilled water to the northeast corner of the University's campus. Costs of issuance of the bonds are calculated at the anticipated par amount of \$74.330 million in accordance with the approved fee schedule for counsel, published schedules of rating agencies, past experience, and to take into account that certain larger items, such as the underwriter's discount, will not be known until the pricing of the bonds and will vary with market conditions. The Office of State Treasurer may issue the bonds as part of a larger transaction to reduce costs if appropriate.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	04/14/23	Adopted
JBRC Approval:	06/20/23	Proposed
SFAA Approval:	06/28/23	Proposed

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	04/14/23	Adopted
JBRC Approval:	06/20/23	Proposed
SFAA Approval:	06/27/23	Proposed

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)

Yes No

	X
--	---

b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?

	X
--	---

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

Sq. Footage -

Cost Estimate -

\$ -

Est. Expenditures - Through 6 Months
Est. Expenditures - Through 12 Months
Est. Expenditures - Through 18 Months
Est. Expenditures - Through 24 Months
Est. Expenditures - Through 36 Months
Est. Expenditures - Through 48 Months
- Estimated Expenditures: Thru FY:

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 20,603,567	12/31/2024	GO SIB Bonds issued FY2025
30,000,000	6/30/2025	
30,000,000	12/31/2025	
5,000,000	6/30/2026	
	6/30/2027	
-	6/30/2028	
\$ 85,603,567		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 74,330,000	\$ 200,000,000	Project Fund
(b) Premium/Accr. Int.	11,273,567	-	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	63,750,000	-	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	-	-	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	-	603,567	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		-	Accrued Interest
Type - Capital Reserve	31,250,000	-	Other
Type - Gifts / Donations	20,000,000	-	Other
(6) SCHFDA MFHRB Sources		-	Other
(a) LIHTC	-	-	Other
(a) State Housing TC	-	-	Other
(c) Owner's Equity/Other	-	-	Other
Total Project Sources	\$ 200,603,567	\$ 200,603,567	Total Project Uses
Surplus/Deficit		\$ -	

9. ESTIMATED/ACTUAL BOND COI EXPENDITURES (** Added COI entities beyond the following need an attached description **)

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	PRAG			\$ 50,000	\$ -	\$ 50,000
Bond Counsel	Pope Flynn, LLC			37,165	-	37,165
Disclosure Counsel	Howell Linkous & Nettles			25,000	-	25,000
Issuer's Counsel				-	-	-
Underwriter's Counsel				-	-	-
Transaction Counsel				-	-	-
Legal Expenses				-	-	-
				-	-	-
Rating Agency - S&P				36,000	-	36,000
Rating Agency - Moody's				28,000	-	28,000
Rating Agency - Fitch				37,000	-	37,000
Underwriter's Compensation	TBD - Competitive			371,650	-	371,650
Registrar / Paying Agent	U.S. Bank National Assoc.			10,000	-	10,000
Escrow Agent				-	-	-
Accountant				-	-	-
Verification Agent				-	-	-
Printing	ImageMaster			3,000	-	3,000
Publishing	IPREO			1,500	-	1,500
Advertising	Bond Buyer			1,500	-	1,500
Contingency				2,752	-	2,752
Issuer's Fee	SC JEDA / SC SHFDA			-	-	-
				\$ 603,567	\$ -	\$ 603,567

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

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

0.07%	#DIV/0!
0.05%	#DIV/0!
0.08%	#DIV/0!
0.14%	#DIV/0!

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

0.50%	#DIV/0!
0.03%	#DIV/0!
0.81%	#DIV/0!



Pope Flynn, LLC
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Columbia, SC 29201
MAIN 803.354.4900
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www.popeflynn.com

May 22, 2023

Mr. Delbert H. Singleton, Jr.
Assistant Executive Director and Authority Secretary
South Carolina State Fiscal Accountability Authority
1200 Senate Street, Suite 600
Columbia, South Carolina 29201

Re: Not Exceeding \$85,650,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2023

Dear Delbert:

On behalf of The Medical University of South Carolina (the "University"), in connection with the authorization of the above-referenced bonds (the "Bonds"), and in anticipation of the South Carolina State Fiscal Accountability Authority (the "Authority") meeting currently scheduled for June 27, 2023, we respectfully enclose the following for consideration by the Authority:

1. Bond Transmittal Form;
2. a resolution adopted by the Board of Trustees of the University on April 14, 2023, making application to the Authority in connection with the Bonds;
3. a proposed form of opinion of Bond Counsel; and
4. a proposed form of Bond Resolution of the Authority (an electronic copy is being provided contemporaneously with this letter).

We have provided the Office of State Treasurer with copies of the Bond Counsel request form, the New Debt Information Form (NDIF) – Initial Form, and a copy of this submission package.

Please let us know should you require anything further or if you have any questions regarding the enclosed.

Best regards,

A handwritten signature in blue ink, appearing to read 'Bill'.

William M. Musser

cc: Robert Macdonald, Director Debt Management Division, Office of State Treasurer
Patrick Wamsley, The Medical University of South Carolina

Enclosures

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
600 Wade Hampton Building (29201)
P.O. Box 12444
Columbia, SC 29211

DATE: 5/22/2023

**Submitted for SFAA Meeting
on:** 6/28/2023

FROM: Pope Flynn, LLC
PO Box 11509
Columbia, SC 29211

RE: N/E \$85,650,000 State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2023

Project Name: College of Medicine. The bonds will defray the cost to construct, equip and furnish an approximately 187,000 square foot building to be used by the University's College of Medicine with space for classrooms, office and support space for University faculty and staff, and (ii) expand and improve the existing mechanical facilities which supply chilled water to the northeast corner of the University's campus.

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only; must check K or L.)


- A. ☐ Petition
- B. ☒ Resolution or Ordinance
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☒ State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus 3 copies for certification and return to bond counsel
- F. ☒ Draft bond counsel opinion letter
- G. ☐ Signed SFAA Reliance letter
- H. ☐ DHEC Certificate of Need (C.O.N.)
- I. ☐ Debt Questionnaire
- J. ☐ Processing Fee

Amount: \$Click or tap here to enter text. **Check No:** Click or tap here to enter text.

Payor: Click or tap here to enter text.

- K. ☒ No Private Participant will be known at the time the Authority considers this agenda item.
- L. ☐ This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant

Bond Counsel: William M. Musser
Typed Name of Bond Counsel

By: 
Signature

RESOLUTION

REQUESTING THE ISSUANCE OF NOT EXCEEDING EIGHTY-FIVE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$85,650,000) OF GENERAL OBLIGATION STATE INSTITUTION BONDS FOR THE MEDICAL UNIVERSITY OF SOUTH CAROLINA PURSUANT TO CHAPTER 107, TITLE 59, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

Adopted by

**BOARD OF TRUSTEES
OF
THE MEDICAL UNIVERSITY OF SOUTH CAROLINA**

April 14, 2023

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RESOLUTION

REQUESTING THE ISSUANCE OF NOT EXCEEDING EIGHTY-FIVE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$85,650,000) OF GENERAL OBLIGATION STATE INSTITUTION BONDS FOR THE MEDICAL UNIVERSITY OF SOUTH CAROLINA PURSUANT TO CHAPTER 107, TITLE 59, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA IN A MEETING DULY ASSEMBLED:

SECTION 1. Findings of Fact. As an incident to the adoption of this Resolution, the Board of Trustees of The Medical University of South Carolina (the "Board of Trustees"), the governing body of The Medical University of South Carolina (the "University") hereby finds and determines as follows:

(a) This Resolution is adopted by the Board of Trustees pursuant to Title 59, Chapter 107, Code of Laws of South Carolina 1976, as amended (the "Enabling Act").

(b) Pursuant to Section 59-107-40 of the Enabling Act, the Board of Trustees is authorized to make application to the South Carolina State Fiscal Accountability Authority (the "State Authority") for the issuance of General Obligation State Institution Bonds ("State Institution Bonds"), the proceeds of which may be used: (i) to construct, equip and furnish an approximately 200,000 square foot building and other improvements on the University's campus (the "Project," as such term is more particularly described in paragraph (c) of this Section 1); (ii) to reimburse the University for expenses incurred in anticipation of the issuance of such bonds; and (iii) to pay the costs of issuance of such bonds.

(c) The Board of Trustees has determined that a need exists to (i) construct, equip and furnish an approximately 187,000 square foot building to be used by the University's College of Medicine with space for classrooms, office, and support space for University faculty and staff, and (ii) expand and improve the existing mechanical facilities which supply chilled water to the northeast corner of the University's campus.

(d) The University estimates that the total cost of the Project will be approximately \$200,000,000. In order to fund a portion of the projected costs of the Project, and taking into account certain other sources, the Board of Trustees desires to make application to the State Authority to issue not exceeding Eighty-Five Million Six Hundred Fifty Thousand Dollars (\$85,650,000) aggregate principal amount of General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina) of the State of South Carolina (the "Bonds") pursuant to the Enabling Act, on the basis that a definite and immediate need exists for constructing and furnishing the Project, and therefore for issuing such Bonds. The proceeds of the Bonds shall be applied to defray a portion of the costs of the Project, reimburse the University for expenses incurred in anticipation of the issuance of the Bonds, and to pay the costs of issuance of the Bonds.

(e) Accordingly, this Resolution is adopted pursuant to Section 59-107-40 of the Enabling Act, in order to make formal application to the State Authority for the issuance of the Bonds, the proceeds of which will be used for the purposes set forth in paragraph (d) of this Section 1.

SECTION 2. Application for Issuance of State Institution Bonds. The Board of Trustees hereby makes formal application to the State Authority for funds through the issuance of the Bonds pursuant to the provisions of the Enabling Act, in order that the proceeds thereof may be used for the purposes set forth in paragraph (d) of Section 1 hereof.

SECTION 3. Tuition Fees Received in Previous Fiscal Year. Based on tuition fees as defined in the Enabling Act and as described in Section 4 below, for fiscal year July 1, 2021 through June 30, 2022, tuition fees available to pay debt service on State Institution Bonds amounted to the sum of \$15,185,306.

SECTION 4. Current Schedule of Tuition Fees. The schedule of tuition fees, as defined in the Enabling Act and as now in effect at the University, is as set forth as Exhibit A to this Resolution, which schedule is hereby reaffirmed and approved.

SECTION 5. Maturity Schedule for Bonds. The suggested maturity schedule for the Bonds requested to be issued pursuant to this Resolution is set forth as Exhibit B to this Resolution. Said Exhibit B assumes that the principal amount of the Bonds will be \$85,650,000.

SECTION 6. Debt Service on Outstanding State Institution Bonds. A statement showing all State Institution Bonds heretofore issued on behalf of the University now outstanding and not defeased, together with the annual interest and principal payments to become due thereon, is set forth as Exhibit C to this Resolution.

SECTION 7. Debt Service on Outstanding Bonds Including Bonds Authorized Hereby. A table showing debt service on all State Institution Bonds to be outstanding for the University following the issuance of the Bonds (at an assumed principal amount of the Bonds of \$85,650,000 and at prevailing rates of interest) is set forth as Exhibit D to this Resolution. Upon the issuance of the Bonds, the maximum annual debt service on all State Institution Bonds secured by tuition fees of the University may not be greater than 90% of the tuition fees received by the University for the preceding fiscal year.

A calculation establishing the right of the University to seek the issuance of Bonds to the extent set forth in this Resolution is set forth as Exhibit E to this Resolution.

SECTION 8. Request for Issuance of Bonds and Bond Anticipation Notes.

(a) The State Authority is requested to make the findings required by the Enabling Act and to request the Governor and the State Treasurer to provide for the issuance of the Bonds by the State of South Carolina (the "State"). If the State Treasurer should determine that all or a portion of the proceeds needed to defray the costs of the Project should be funded by the issuance of bond anticipation notes (the "Notes") pursuant to Chapter 17, Title 11 of the Code of Laws of South Carolina 1976, as amended (the "BAN Act") rather than the Bonds and that the issuance of the Notes would be in the best interest of the State under prevailing market conditions or, in light of the subsequent borrowings necessary to finance the completion of the Project, would be more efficient than issuing Bonds at this time, the Governor and the State Treasurer are further requested to effect the issuance of Notes pursuant to the BAN Act. If Notes are issued and if, upon maturity thereof, the State Treasurer should determine that further issuance of Notes rather than the Bonds would be in the best interest of the State under prevailing market conditions, the Governor and the State Treasurer are requested to continue the issuance of Notes, in a principal amount not to exceed \$85,650,000 until the Governor and the State Treasurer determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

(b) The Board of Trustees hereby covenants and agrees that the University will, and hereby directs the President and the Secretary to the Board of Trustees of the University to deposit and designate sufficient tuition fees during each fiscal year to satisfy the requirement that debt service on all State Institution Bonds issued on behalf of the University (including the Bonds herein requested) shall not exceed 90% of such tuition fees so deposited and designated. The President and the Secretary of the Board of Trustees are hereby authorized to certify the amount so deposited and designated to the State Authority. In the event this application is submitted to the State Authority, or the Bonds herein requested are delivered, in a fiscal year subsequent to the fiscal year in which this Resolution is adopted, the request herein made is expressly conditioned on such certification being made and showing that debt service on all State Institution Bonds issued on behalf of the University (including the Bonds herein requested) does not exceed 90% of such tuition fees so deposited and designated.

SECTION 9. Covenant to Impose Tuition Fees Sufficient to Pay Bonds. The Board of Trustees hereby covenants and agrees that the schedule of tuition fees now in effect at the University will be revised from time to time and whenever necessary in order to provide the annual principal and interest requirements of all State Institution Bonds now or hereafter to be outstanding, which have been or will be issued on behalf of the University.

SECTION 10. Tax Covenants. To the extent that the State Authority provides for the issuance of Bonds on a federally tax-exempt basis, the University will covenant as follows:

(a) Federal Guarantee Prohibition. The University shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations promulgated thereunder (the “Regulations”).

(b) Private Business Limitation. The University shall ensure that (i) not in excess of 10% of the amount actually or constructively received from the sale of the Bonds, together with the investment earnings thereon (“Net Proceeds”), is used directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public but not use by the federal government of the United States of America or any agency or instrumentality thereof (“Private Business Use”), if, in addition, the payment of more than ten percent of the principal or ten percent of the interest due on the Bonds during the term thereof is, under the terms thereof or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the State, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (a) in excess of five percent of the Net Proceeds are used for a Private Business Use, and (b) an amount in excess of five percent of the principal or five percent of the interest due on the Bonds during the term thereof is, under the terms thereof or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the State, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said five percent of Net Proceeds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of a portion of the facilities financed with the proceeds of the Bonds and shall not exceed the proceeds used for the governmental use of the portion of the undertaking to which such Private Business Use is related.

(c) Private Loan Limitation. The University shall ensure that not in excess of the lesser of (i) \$5,000,000 or (ii) 5% of the Net Proceeds will be used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

(d) No Arbitrage. The University represents that it does not expect any portion of the proceeds of the Bonds to be used directly or indirectly to acquire higher yielding investments, or to replace funds which were used directly or indirectly to acquire higher yielding investments for other than a "temporary period" as defined in the Code and the Regulations. The University further covenants that it will not intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments. In making the foregoing representation and covenant, the University understands and intends that words or phrases contained herein have meanings provided therefor under Section 148 of the Code and under the Regulations.

SECTION 11. Secretary to Present Resolution to State Authority. The Secretary to the Board of Trustees is hereby directed to present a certified copy of this Resolution, together with the Exhibits and any certification required by Section 8 to this Resolution, to the State Authority as evidence of the Board of Trustees' formal request for the issuance of the Bonds on behalf of the University, and as evidence that all conditions precedent to the issuance of such Bonds have been met prior to the issuance of the Bonds. The date of application for purposes of the Enabling Act shall be such date as this Resolution and any certificate required by Section 8 hereof is submitted to the State Authority.

SECTION 12. Execution of Closing Documents and Certificates. The Chairman of and the Secretary to the Board of Trustees, and all other officers of the University, are fully authorized and empowered to take such further action and to execute and deliver such closing documents as may be necessary and proper in order to complete the borrowing herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents in such form as he or they shall approve, is hereby fully authorized. In particular, such officers of the University are authorized to abide by covenants made by or on behalf of the State Authority in connection herewith relating to Sections 9 and 10 hereof or relating to Rule 15c2-12 of the United States Securities and Exchange Commission or relating to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended.

SECTION 13. Reimbursement Declaration. The University hereby confirms its intention to reimburse itself for a portion of the costs of the Project with the proceeds of the Bonds or the Notes, as the case may be, requested to be issued herein. To that end, the Board of Trustees determines and declares as follows:

(a) no funds from any sources other than the Bonds or the Notes, as the case may be, are, or are reasonably expected to be, reserved, allocated on a long-term basis or otherwise set aside by the University pursuant to the budget or financial policies of the University for the financing of the portion of the costs of constructing, equipping and furnishing the Project to be funded with the Bonds or the Notes, as the case may be;

(b) the University reasonably expects that all or a portion of the expenditures incurred for the Project and the issuance of the Bonds or the Notes, as the case may be, will be paid prior to the issuance of the Bonds or the Notes, as the case may be;

(c) the University intends and reasonably expects to reimburse itself for all such expenditures paid by it with respect to the Project prior to the issuance of the Bonds or the Notes, as the case may be, from the proceeds of the Bonds or the Notes, as the case may be, and such intention is consistent with the budgetary and financial circumstances of the University;

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

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

SECTION 14. Law and Place of Enforcement of this Resolution. This Resolution shall be construed and interpreted in accordance with the laws of the State. All suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State.

SECTION 15. Effect of Section Headings. The heading or titles of the several Sections hereof are solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

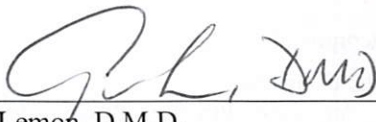
SECTION 16. Repeal of Inconsistent Resolutions. All resolutions of the Board of Trustees, and any part of any resolution, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

SECTION 17. Effectiveness of this Resolution. This Resolution shall become effective upon its adoption.

Done in meeting duly assembled this 14th day of April 2023.

**BOARD OF TRUSTEES OF THE MEDICAL
UNIVERSITY OF SOUTH CAROLINA**

(SEAL)



James Lemon, D.M.D.
Chairman

Attest:



Katherine S. Haltiwanger
Secretary

EXHIBIT A

**THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
SCHEDULE OF TUITION FEES IN EFFECT FOR PURPOSES OF
SECTIONS 59-107-10 ET SEQ., CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED**

Set forth below are the tuition and fees charged by each of the Academic Division's Colleges for resident and non-resident students for the 2022-2023 academic year (excluding the summer term) on an annual basis (except as shown):

	<u>In-State¹</u>	<u>Out-of-State¹</u>
Dental Medicine		
Doctor of Dental Medicine	\$17,150	\$30,000
Dental Scientist Training Program	7,905	7,905
Master of Science in Dentistry - Endodontics	20,338	20,338
Master of Science in Dentistry – Periodontics	3,218	3,902
Master of Science in Dentistry - Orthodontics	3,218	3,902
Master of Science in Dentistry – Digital Dentistry	20,167	20,167
 Graduate Studies		
Master of Science in Biomedical Sciences	\$ 6,752	\$9,484
Master of Science in Clinical Research	6,887	10,538
Master of Science in Medical Sciences	7,025	10,538
 Ph.D. Program	7,954	10,686
 Health Professions		
Bachelor of Science in Healthcare Studies	\$4,900	\$4,900
 Cardiovascular Perfusion	8,149	12,831
Master in Extracorporeal Science		6,000
Master in Genetic Counseling	9,000	12,831
Doctor of Nurse Anesthesia Practice - Post-Masters	7,724	7,956
Doctor of Nurse Anesthesia Practice - Post-Baccalaureate	7,724	11,397
 Master in Health Administration-Executive	8,525	9,682
Master in Health Administration-Residential	8,525	12,828
Master of Science in Health Informatics	8,525	8,525
Master of Science in Speech Pathology	8,349	12,465
Master of Science in Physical Assistant Studies	8,274	14,787
Doctor of Health Administration – Health Professional	10,290	10,290
Doctor of Health Administration - Health Administrator	10,290	10,290
Doctor of Health Administration –Interprofessional	6,958	6,958
Doctor of Health Administration- Information Systems	6,958	6,958
Ph. D. in Health and Rehabilitation Science	6,202	6,569
Doctor of Physical Therapy	8,142	12,280
Doctor of Occupational Therapy	8,346	12,465
 Medicine		
First Year	\$12,500	\$22,283
Second Year	10,800	19,333
Third Year	14,533	24,000

EXHIBIT B

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
PRO-FORMA DEBT SERVICE REQUIREMENTS OF
NOT EXCEEDING \$85,650,000 STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS,
COMPUTED AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2024	\$ 3,100,000	\$ 2,730,402	\$ 5,830,402
June 30, 2025	3,310,000	2,743,104	6,053,104
June 30, 2026	3,405,000	2,647,776	6,052,776
June 30, 2027	3,495,000	2,554,479	6,049,479
June 30, 2028	3,590,000	2,459,764	6,049,764
June 30, 2029	3,685,000	2,363,911	6,048,911
June 30, 2030	3,785,000	2,266,627	6,051,627
June 30, 2031	3,885,000	2,167,460	6,052,460
June 30, 2032	3,985,000	2,064,896	6,049,896
June 30, 2033	4,095,000	1,958,895	6,053,895
June 30, 2034	4,205,000	1,848,330	6,053,330
June 30, 2035	4,330,000	1,723,862	6,053,862
June 30, 2036	4,465,000	1,584,436	6,049,436
June 30, 2037	4,620,000	1,429,501	6,049,501
June 30, 2038	4,790,000	1,259,947	6,049,947
June 30, 2039	4,975,000	1,077,927	6,052,927
June 30, 2040	5,165,000	884,897	6,049,897
June 30, 2041	5,370,000	680,879	6,050,879
June 30, 2042	5,585,000	465,542	6,050,542
June 30, 2043	5,810,000	238,791	6,048,791
Total	\$ 85,650,000	\$ 35,151,422	\$ 120,801,422

* Preliminary, subject to change.

EXHIBIT C

DEBT SERVICE REQUIREMENTS
ON ALL STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF
THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

Fiscal Year Ending	Existing Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ -	\$ -	\$ -
June 30, 2024	3,170,000	1,613,275	4,783,275
June 30, 2025	2,445,000	1,475,650	3,920,650
June 30, 2026	2,565,000	1,353,400	3,918,400
June 30, 2027	2,705,000	1,225,150	3,930,150
June 30, 2028	2,835,000	1,089,900	3,924,900
June 30, 2029	2,985,000	948,150	3,933,150
June 30, 2030	3,105,000	824,900	3,929,900
June 30, 2031	3,240,000	696,350	3,936,350
June 30, 2032	2,190,000	561,950	2,751,950
June 30, 2033	2,270,000	480,850	2,750,850
June 30, 2034	2,355,000	396,550	2,751,550
June 30, 2035	2,440,000	308,900	2,748,900
June 30, 2036	2,530,000	217,900	2,747,900
June 30, 2037	985,000	123,300	1,108,300
June 30, 2038	1,010,000	93,750	1,103,750
June 30, 2039	1,040,000	63,450	1,103,450
June 30, 2040	1,075,000	32,250	1,107,250
Total	\$ 38,945,000	\$ 11,505,675	\$ 50,450,675

EXHIBIT D

SCHEDULE SHOWING PRO-FORMA TOTAL DEBT SERVICE REQUIREMENTS OF
ALL GENERAL OBLIGATION STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF
THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
INCLUDING THE PROPOSED ISSUE OF
EIGHTY-FIVE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$85,650,000)
OF GENERAL OBLIGATION STATE INSTITUTION BONDS
COMPUTED AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	Combined Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ -	\$ -	\$ -
June 30, 2024	6,270,000	4,343,677	10,613,677
June 30, 2025	5,755,000	4,218,754	9,973,754
June 30, 2026	5,970,000	4,001,176	9,971,176
June 30, 2027	6,200,000	3,779,629	9,979,629
June 30, 2028	6,425,000	3,549,664	9,974,664
June 30, 2029	6,670,000	3,312,061	9,982,061
June 30, 2030	6,890,000	3,091,527	9,981,527
June 30, 2031	7,125,000	2,863,810	9,988,810
June 30, 2032	6,175,000	2,626,846	8,801,846
June 30, 2033	6,365,000	2,439,745	8,804,745
June 30, 2034	6,560,000	2,244,880	8,804,880
June 30, 2035	6,770,000	2,032,762	8,802,762
June 30, 2036	6,995,000	1,802,336	8,797,336
June 30, 2037	5,605,000	1,552,801	7,157,801
June 30, 2038	5,800,000	1,353,697	7,153,697
June 30, 2039	6,015,000	1,141,377	7,156,377
June 30, 2040	6,240,000	917,147	7,157,147
June 30, 2041	5,370,000	680,879	6,050,879
June 30, 2042	5,585,000	465,542	6,050,542
June 30, 2043	5,810,000	238,791	6,048,791
Total	\$ 124,595,000	\$ 46,657,097	\$ 171,252,097

* Preliminary, subject to change.

EXHIBIT E

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
PROOF SHOWING COMPLIANCE WITH
TITLE 59, CHAPTER 107, CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

Aggregate of tuition fees received by the University as of June 30, 2022	\$15,185,306
Multiplied by	90%
Produces	\$13,666,775
Maximum annual debt service on all State Institution Bonds of the University (including the proposed issue of not exceeding Eighty-Five Million Six Hundred Fifty Thousand Dollars (\$85,650,000) General Obligation State Institution Bonds issued on behalf of the University)	\$10,613,677*
Margin	\$ 3,053,099

* Calculated as of April 14, 2023

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING EIGHTY-FIVE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$85,650,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA), OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

Adopted June 28, 2023

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EXHIBIT E Proof Showing Compliance with Enabling Act

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EXHIBIT H Form of Continuing Disclosure Undertaking

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING EIGHTY-FIVE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$85,650,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA), OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

ARTICLE I FINDINGS OF FACT

As an incident to the adoption of this resolution (this “Resolution”) and the issuance of the bonds provided for herein, the South Carolina State Fiscal Accountability Authority (the “Authority”) finds that the facts set forth in this Article exist, and that the statements made with respect thereto are true and correct. Capitalized terms used and not otherwise defined herein have the meanings given to such terms in Article II of this Resolution.

Section 1.01 General Findings of Authorization.

(a) The Authority is authorized by Title 59, Chapter 107 of the Code of Laws of South Carolina 1976, as amended (the “Enabling Act”), to make provision for the issuance of General Obligation State Institution Bonds (“State Institution Bonds”) on behalf of state institutions (the “Institutions”) of the State of South Carolina (the “State”), including The Medical University of South Carolina (the “University”), the proceeds of which may be used for any one or more of the following purposes:

(i) to construct, reconstruct, maintain, improve, furnish and refurnish the buildings and other permanent improvements for the Institutions,

(ii) to defray the costs of acquiring or improving land needed as sites for such improvements or for the campus of any of the Institutions,

(iii) to reimburse the Institutions for expenses incurred in anticipation of the issuance of State Institution Bonds, or

(iv) to refund State Institution Bonds heretofore issued for the Institutions and which shall on such occasion be outstanding.

(v) The Board of Trustees has determined that a need exists to (i) construct, equip and furnish an approximately 187,000 square foot building to be used by the University’s College of Medicine with space for classrooms, office and support space for University faculty and staff, and (ii) expand and improve the existing mechanical facilities which supply chilled water to the northeast corner of the University’s campus (the “Project”).

Pursuant to the provisions of a resolution adopted by the Board of Trustees of the University (the “Board of Trustees”) on April 14, 2023 (the “Board Resolution”), the Board of Trustees has requested the Authority to authorize the Governor and the State Treasurer (each as defined herein) to issue General Obligation State Institution Bonds pursuant to the Enabling Act in the aggregate principal amount of not exceeding \$85,650,000 to provide funds to: (i) defray the costs of the Project; and (ii) pay costs and expenses related to the issuance of such State Institution Bonds. Moreover, the Board Resolution

constituted the application to the Authority required by Section 59-107-40 of the Enabling Act and the provisions thereof contained all information necessary for the Authority to approve the application and authorize the issuance of such State Institution Bonds.

(b) The Authority has reviewed the Board Resolution and has determined to cause the issuance of not exceeding Eighty-Five Million Six Hundred Fifty Thousand Dollars (\$85,650,000) aggregate principal amount General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), of the State of South Carolina (the "Bonds"), or one or more BANs (as defined herein) in anticipation thereof, for the purposes described in paragraph (a) above.

Section 1.02 Findings Required by the Enabling Act.

The Authority makes the following findings pursuant to Section 59-107-50 of the Enabling Act in connection with the application of the University for issuance of General Obligation State Institution Bonds in the amount of not exceeding \$85,650,000, which sum will be used to pay all or a portion of the costs of the Project and to pay the costs of issuance of the Bonds.

(a) That a definite and immediate need for the Project exists;

(b) There are presently outstanding \$38,945,000 aggregate principal amount State Institution Bonds secured by the Tuition Fees (as hereinafter defined) of the University as set forth in Exhibit A attached hereto;

(c) A satisfactory and proper schedule of Tuition Fees as set forth in Exhibit B attached hereto is in effect at the University;

(d) A pro forma debt service table setting forth annual principal and interest requirements of the Bonds based on prevailing rates of interest per annum is set forth on Exhibit C attached hereto. Exhibit D attached hereto sets forth the aggregate debt service requirements of the outstanding State Institution Bonds issued on behalf of the University and the Bonds at prevailing rates of interest. Exhibit E attached hereto shows the sums received by the University as Tuition Fees for the Fiscal Year (as hereinafter defined) ended June 30, 2022, and establishes that, based on prevailing rates of interest per annum on the Bonds, the maximum annual debt service on the outstanding State Institution Bonds issued on behalf of the University and the Bonds will not be greater than 90% of the Tuition Fees received by the University for the Fiscal Year ended June 30, 2022;

(e) The University has agreed that the schedule of the Tuition Fees for the University shall be revised from time to time and whenever necessary to provide not less than the sum needed to pay the annual principal and interest requirements on the Bonds and on all outstanding State Institution Bonds issued on behalf of the University; and

(f) The Authority has made the findings required of it by Section 59-107-50 of the Enabling Act, and has accepted the Board Resolution as the application required by Section 59-107-40 of the Enabling Act.

Section 1.03 Determination of Compliance with Debt Limitation.

Section 59-107-90 of the Enabling Act and Section 11-27-30(4) of the South Carolina Code, each provide that the debt limitation applicable to State Institution Bonds is that sum resulting from the provisions of subparagraph (b) of paragraph 6 of Section 13 of Article X of the South Carolina Constitution, which provides that the maximum annual debt service on State Institution Bonds issued for

an Institution may not be greater than 90% of the sum of the Tuition Fees received by such Institution for the preceding Fiscal Year. The table set forth in Exhibit E attached hereto demonstrates that the maximum annual debt service on all State Institution Bonds issued on behalf of the University following the issuance of the Bonds will not exceed the proviso contained in the preceding sentence with respect to outstanding State Institution Bonds and the Bonds with interest calculated thereon at prevailing rates of interest. Further, the Authority finds that the total aggregate principal amount of State Institution Bonds issued on behalf of the University to be outstanding, following the issuance of the Bonds at prevailing rates of interest authorized by the provisions of this Resolution, will not exceed \$124,595,000*.

Section 1.04 Determination of Amount of Bonds Herein Authorized.

The Authority finds that it is necessary to issue the Bonds in the aggregate principal amount of not exceeding \$85,650,000 or one or more BANs in anticipation thereof, in order to provide funds which will be used to pay all or a portion of the costs of the Project, to pay the principal of and interest on the BANs, if any, and to pay the costs of issuance of such BANs or the Bonds.

[End of Article I]

* Preliminary, subject to change.

ARTICLE II
DEFINITIONS AND CONSTRUCTION

Section 2.01 Definitions.

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

“Authority” means the South Carolina State Fiscal Accountability Authority.

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

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

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

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

“Bond” or “Bonds” means any of the General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), authorized by this Resolution, and also means, if the context so requires, any BAN or BANs issued in anticipation of the issuance of such Bonds.

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

“Bond Payment Date” means each date determined by the State Treasurer on which interest on any of the Bonds shall be payable or on which both the Principal Installment and interest shall be payable on any of the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Undertaking” means that undertaking which is to be executed by the State Treasurer in form substantially similar to that appearing as Exhibit H hereto, and delivered at or prior to the closing of the Bonds as required by United States Securities and Exchange Commission Rule 15c2-12, as amended, and as such undertaking may be from time to time amended in accordance with the terms thereof.

“Corporate Trust Office”, when used with respect to any Paying Agent, Registrar, or Escrow Agent means the office at which its principal corporate trust business shall be administered.

“Dated Date” means such date as the State Treasurer shall determine to be the date of issue of the Bonds or BANs.

“Enabling Act” means Title 59, Chapter 107 of the Code of Laws of South Carolina 1976, as amended.

“Escrow Agent” means the Paying Agent or such entity or entities, as the case may be, designated by the State Treasurer to serve as escrow agent or escrow agents pursuant to one or more escrow deposit agreements.

“Fiduciary” means the Paying Agent, the Registrar, and any Escrow Agent and their successors and assigns.

“Fiscal Year” means the period of 12 calendar months, beginning July 1 of each year and ending on June 30 of the next year.

“Government Obligations” means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

“Governor” means the Governor of the State.

“Outstanding” means, when used in this Resolution with respect to Bonds or BANs, as of any date, all Bonds or BANs theretofore authenticated and delivered pursuant to this Resolution except Bonds or BANs (or portions thereof):

- (i) cancelled or delivered to the Registrar for cancellation on or before such date;
- (ii) deemed to have been paid in accordance with the provisions of Section 7.01 hereof; and
- (iii) in lieu of or in exchange for which another Bond or BAN shall have been authenticated and delivered pursuant to Article III of this Resolution.

“Paying Agent” means any bank, trust company, or national banking association which is authorized to pay the principal or Redemption Price of, or interest on any Bonds or BANs, and having the duties, responsibilities and rights provided for in this Resolution, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Paying Agent may also act as Registrar.

“Person” means an individual, a partnership, a corporation, a trust, a trustee, an unincorporated organization, or a government or an agency or political subdivision thereof.

“Principal Installment” means, as of any date of calculation, the principal amount of all Bonds due on a specified date.

“Private Business Use” means “private business use” as that term is defined in Section 141 of the Code, any successor provision and any regulations promulgated thereunder.

“Record Date” means the 15th day immediately preceding each Bond Payment Date.

“Redemption Price” when used with respect to a Bond or portion thereof to be redeemed, means the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Resolution.

“Registrar” means any bank, trust company, or national banking association which is authorized to maintain an accurate list of those who from time to time shall be the Holders of the Bonds or BANs and shall effect the exchange and transfer of the Bonds or BANs in accordance with the provisions of this Resolution and having the duties, responsibilities, and rights provided for in this Resolution and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Registrar may also act as Paying Agent.

“Resolution” means this Resolution as the same may be amended or supplemented from time to time in accordance with the terms hereof.

“Secretary of State” means the Secretary of State of the State of South Carolina.

“Series” or “Series of Bonds” means a series of Bonds issued pursuant to the authorizations of the Enabling Act and this Resolution.

“South Carolina Code” means the Code of Laws of South Carolina 1976, as amended.

“State” means the State of South Carolina.

“State Request” means a written request of the State signed by an Authorized Officer.

“State Treasurer” means the Treasurer of the State of South Carolina.

“Taxable Series” means a Series of Bonds so designated by the State Treasurer, the interest upon which is not excludable from income for federal income tax purposes.

“Tuition Fees” means those fees charged by the University for tuition, matriculation and registration. The term does not include sums charged for enrolling in courses or classes offered for any summer school term or any special seminar, nor shall the term relate to or include fees levied or charged for purposes other than for the purposes of the Enabling Act.

Section 2.02 Construction.

In this Resolution, unless the context otherwise requires:

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

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

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

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

[End of Article II]

ARTICLE III ISSUANCE OF BONDS

Section 3.01 Request to Governor and State Treasurer.

The Governor and the State Treasurer are hereby requested to effect the issuance of not to exceed \$85,650,000 principal amount of General Obligation State Institution Bonds in accordance with the provisions of this Resolution.

Section 3.02 Ordering the Issuance of Bonds; Principal Amount.

Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds to pay all or a portion of the costs of the Project and to pay certain costs of issuance of the Bonds described in Section 1.02 hereof, there shall be issued not exceeding \$85,650,000 aggregate principal amount of general obligation bonds of the State, designated "General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2023." Notwithstanding the foregoing, however, the State Treasurer may, in his discretion, modify the Series designation of the Bonds herein authorized as appropriate and, in such event, all references to the Bonds herein shall be deemed to reference such modified Series designation. The Bonds may be issued as a single Series or in two or more separate Series or may be issued in combination with other issues of State general obligation bonds, as determined by the State Treasurer. The final principal amount of the Bonds shall be determined by the State Treasurer.

Section 3.03 Maturity Schedule of Bonds.

The Bonds shall mature in each of the Fiscal Years and in the Principal Installments determined by the State Treasurer, provided that the aggregate principal amount of Bonds issued hereunder does not exceed \$85,650,000. The Bonds shall bear interest at rates determined in the manner prescribed by Section 3.16 hereof. The State Treasurer is hereby authorized to adjust the maturity schedule as to the principal amount maturing in a particular year and as to the dates on which the principal is to be repaid in order to: (i) limit net Bond proceeds; (ii) maintain compliance with constitutional and statutory debt limitations; (iii) maintain level annual debt service within each Fiscal Year; and (iv) achieve a more favorable interest rate at the sale of the Bonds.

Section 3.04 Provision for Payment of Interest on the Bonds.

The Bonds shall be authenticated on such dates as they shall, in each case, be delivered. The Bonds shall bear interest from the Bond Payment Date to which interest has been paid next preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date, in which case, from such authentication date, or if authenticated prior to the first Bond Payment Date for the Bonds, then from the Dated Date. The interest to be paid on any Bond Payment Date shall be paid to the Person in whose name such Bond is registered at the close of business on the Record Date next preceding such Bond Payment Date.

Section 3.05 Medium of Payment; Form and Denomination of Bonds; Place of Payment of Principal.

(a) The Bonds shall be payable as to Principal Installment, Redemption Price and interest at the rates per annum determined in the manner prescribed by Section 3.16 hereof (on the basis of a 360-day year of twelve 30-day months) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) The Bonds shall be issued in the form of fully registered Bonds. The Bonds shall be issued in the denomination of \$1,000 or any whole multiple thereof, not exceeding the principal amount of the Bonds maturing in such year. The Bonds shall be numbered from R-1 upwards in such fashion as to maintain a proper record thereof.

(c) The Principal Installment or Redemption Price of all Bonds shall be payable at the Corporate Trust Office of the Paying Agent and payment of the interest on each Bond shall be made by the Paying Agent to the Person appearing on each Record Date on the registration books of the State, which books shall be held by the Registrar as provided in Section 3.09 hereof, as the registered Owner thereof, by check or draft mailed to such registered Owner at his address as it appears on such registration books in sufficient time to reach such registered Owner on the Bond Payment Date. Payment of the Principal Installment or Redemption Price of all Bonds shall be made upon the presentation and surrender for cancellation of such Bonds as the same shall become due and payable.

Section 3.06 Agreement to Maintain Registrar and Paying Agent.

As long as any of the Bonds remain Outstanding, there shall be a Registrar and a Paying Agent, each of which shall be a financial institution maintaining Corporate Trust Offices where (i) the Bonds may be presented for registration of transfers and exchanges, (ii) notices and demands to or upon the State in respect of the Bonds may be served, and (iii) the Bonds may be presented for payment, exchange and transfer. The State Treasurer is hereby authorized to determine the institution which shall initially exercise the functions of Registrar and Paying Agent. In the event that Bonds are issued in two or more Series, references in this Resolution to the Registrar and Paying Agent shall mean the Registrar and Paying Agent for a given Series.

Section 3.07 Execution and Authentication.

(a) The Bonds shall be executed in the name and on behalf of the State by the manual or facsimile signatures of the Governor and of the State Treasurer, attested by the manual or facsimile signature of the Secretary of State with the Great Seal of the State (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon. Bonds bearing the manual or facsimile signature of any Person who shall have held such office at the time such Bonds were so executed shall bind the State notwithstanding the fact that he may have ceased to be such officer prior to the authentication and delivery of such Bonds or was not such officer at the date of the authentication and delivery of the Bonds.

(b) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication in the form set forth in the form of the Bond attached to this Resolution as Exhibit F, duly executed by the manual signature of the Registrar and such certificate of authentication upon any Bond executed on behalf of the State shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of this Resolution.

Section 3.08 Exchange of Bonds.

Bonds, upon surrender thereof at the Corporate Trust Office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Holder or his duly authorized attorney, may, at the option of the registered Holder thereof, be exchanged for an equal aggregate principal amount of Bonds in authorized denominations of the same interest rate and maturity. So long as any of the Bonds remain Outstanding, the State shall make all necessary provisions to permit the exchange of the Bonds at the Corporate Trust Office of the Registrar.

Section 3.09 Transferability and Registry.

All Bonds shall at all times, when the same are Outstanding, be payable, both as to Principal Installment, Redemption Price and interest to a Person, and shall be transferable, only in accordance with the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds remain Outstanding, the State shall maintain and keep, at the Corporate Trust Office of the Registrar, books for the registration and transfer of Bonds, and, upon presentation thereof for such purpose at the Corporate Trust Office of the Registrar, the State shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Registrar may prescribe, any Bond, except that under no circumstances shall any Bond be registered or transferred to bearer. So long as any of the Bonds remain Outstanding, the State shall make all necessary provisions to permit the transfer of the Bonds at the Corporate Trust Office of the Registrar.

Section 3.10 Transfer of Bonds.

Each Bond shall be transferable only upon the books of the State, which shall be kept for such purpose at the Corporate Trust Office of the Registrar, upon presentation and surrender thereof by the Holder of such Bond or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of any such Bond, the State shall execute and the Registrar shall authenticate and deliver, in the name of the Person who is the transferee, one or more new Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond. All action taken by the Registrar pursuant to this section shall be deemed to be the action of the State.

Section 3.11 Regulations with Respect to Exchanges and Transfers.

All Bonds surrendered in any exchanges or transfers shall forthwith be cancelled by the Registrar. For each such exchange or transfer of the Bonds, the State or the Registrar may make a charge sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The State shall not be obligated to (i) issue, exchange or transfer any Bond during the 15 days next preceding any Bond Payment Date, (ii) issue, exchange or transfer any Bonds during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption, or (iii) transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 3.12 Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If any mutilated Bond is surrendered to the Registrar and the Registrar and the State receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and there is delivered to the Registrar or the State such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice that such Bond has been acquired by a bona fide purchaser, the State shall execute and, upon State Request, the Registrar shall authenticate and deliver, in exchange for any such mutilated Bond or in lieu of any such destroyed, lost or stolen Bond, a new Bond of like tenor, and principal amount and redemption provisions, bearing a number unlike that of a Bond contemporaneously Outstanding. The Registrar shall thereupon cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the State in its discretion may, instead of issuing a new Bond, pay such Bond.

(b) Upon the issuance of any new Bond under this Section 3.12, the State may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees or other fees, of the State or the Registrar connected therewith.

(c) Each new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond shall constitute an additional contractual obligation of the State, whether or not the destroyed, lost or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued pursuant to this Resolution. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section 3.13 Holder as Owner of Bond.

The State, the Registrar and any Paying Agent may treat the Holder of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal Installment, Redemption Price and interest on such Bond and for all other purposes, and payment of the Principal Installment, Redemption Price and interest shall be made only to, or upon the order of, such Holder. All payments to such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the State nor any Paying Agent shall be affected by any notice to the contrary.

Section 3.14 Cancellation of Bonds.

The Registrar shall destroy all Bonds surrendered to it for cancellation and shall deliver a certificate to that effect to the State. No such Bonds shall be deemed Outstanding under this Resolution and no Bonds shall be issued in lieu thereof.

Section 3.15 Payments Due on Saturdays, Sundays and Holidays.

In any case where the Bond Payment Date or redemption date shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of the interest on or Principal Installment or Redemption Price of the Bonds need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the Bond Payment Date and no interest shall accrue for the period after such date.

Section 3.16 Conditions Relating to Naming of Interest Rates.

The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds reflect the lowest interest cost to the State at a price of not less than par, but:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
- (b) no rate of interest named shall be more than six (6.00) percentage points;
- (c) a zero (0.0) percentage point rate of interest is not permitted;

(d) each interest rate named shall be a multiple of 1/8th or 1/20th of one (1) percentage point;
and

(e) any premium offered must be paid in cash as a part of the purchase price;

provided, however, that the State Treasurer may determine, in his discretion and upon advice received, to waive, modify, amend, or vary the conditions described above (whether prior to the offer for sale of the Bonds, or subsequent to such offer but prior to the award of the Bonds), in order to (i) limit net Bond proceeds, (ii) maintain compliance with constitutional and statutory debt limitations, (iii) maintain level annual debt service within each Fiscal Year, (iv) achieve a more favorable interest rate at the sale of the Bonds and (v) establish a maximum interest rate or maximum interest rates as necessary to maintain compliance with the provisions of the Enabling Act. In addition to the foregoing, the State Treasurer may establish additional terms and conditions for the sale of the Bonds, not inconsistent herewith, prior to the publication of the Notice of Sale (as defined herein).

Section 3.17 Tax Exemption in South Carolina.

Both the Principal Installments and interest on the Bonds shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed by the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes.

Section 3.18 Pledge of Full Faith, Credit and Taxing Power.

For the payment of the Principal Installment and interest on the Bonds as the same respectively mature, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged. In accordance with the provisions of Section 11-29-30 of the South Carolina Code, and in order to provide for the punctual payment of the Principal Installments and interest on the Bonds herein authorized, the State Treasurer is directed to set aside from the Tuition Fees received in each Fiscal Year in which the interest on and Principal Installment of the Bonds are due or will become due so much of the revenues derived from such Tuition Fees as may be necessary in order to pay the interest on and the Principal Installment of all Bonds falling due in such Fiscal Year and the State Treasurer shall thereafter apply such moneys to the punctual payment of such principal and interest as the same respectively fall due. In the event that the revenues derived from the Tuition Fees so pledged prove insufficient to meet the payments of the interest on and the Principal Installment of such Bonds in such Fiscal Year, then the State Treasurer is authorized and directed to set aside from the general tax revenues of the State received in such Fiscal Year so much of such general tax revenues as become needed for such purpose and to apply the same to the punctual payment of the interest on and the Principal Installment of such Bonds due or to become due in such Fiscal Year.

In accordance with the provisions of Article X, Section 13, Paragraph 4 of the South Carolina Constitution if any time any payment of Principal Installment of or interest on the Bonds shall not be paid as and when the same become due and payable, the State Comptroller General shall forthwith levy and the State Treasurer shall collect an *ad valorem* tax without limit as to rate or amount upon all taxable property within the State sufficient to meet the payment of the Principal Installments and interest on the Bonds then due.

Section 3.19 Tuition Fee Deposits.

As provided in Section 59-107-180 of the Enabling Act, the State Treasurer shall establish a special fund into which all Tuition Fees shall be deposited and applied to the payment of principal, interest and premium, if any, on the Bonds. The State Treasurer further shall establish for the Bonds a “special debt service and reserve fund” within this special fund as prescribed by Section 59-107-180 of the Enabling Act. Such special fund and the “special debt service and reserve fund” therein shall be maintained at all times as provided in said Section 59-107-180 of the Enabling Act.

Section 3.20 Bonds Issued in Book-Entry Only Form.

(a) Unless otherwise determined by the State Treasurer, the Bonds will initially be issued under a book-entry only system in fully registered form, registered in the name of Cede & Co. as the registered owner and securities depository nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as initial securities depository for the Bonds. So long as the Bonds are being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bonds will be effected pursuant to rules and procedures established by such securities depository. DTC and any successor securities depositories are hereinafter referred to as the “Securities Depository.” Cede & Co. and successor securities depository nominees are hereinafter referred to as the “Securities Depository Nominee.”

(b) So long as a book-entry system is in effect for the Bonds, the Securities Depository Nominee will be recognized as the Holder of the Bonds for the purposes of (i) paying the Principal Installment or Redemption Price of and interest on such Bonds, (ii) if Bonds are to be redeemed in part, selecting the portions of such Bonds to be redeemed, (iii) giving any notice permitted or required to be given to Bondholders under this Resolution, (iv) registering the transfer of Bonds, and (v) requesting any consent or other action to be taken by the Holders of such Bonds, and for all other purposes whatsoever, and the State shall not be affected by any notice to the contrary.

(c) The State shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in any Bonds which are registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as Holder of such Bonds.

(d) The State shall pay the Principal Installment, Redemption Price and interest on Bonds issued under a book-entry system only to the Securities Depository or the Securities Depository Nominee, as the case may be, for such Bonds, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the Principal Installment and interest on such Bonds.

(e) In the event that the State determines that it is in the interest of the State to discontinue the book-entry system of transfer for the Bonds, or that the interests of the beneficial owners of the Bonds may be adversely affected if the book-entry system is continued, then the State shall notify the Securities Depository of such determination. In such event, the Registrar and Paying Agent shall authenticate, register and deliver physical certificates for the Bonds in exchange for the Bonds registered in the name of the Securities Depository Nominee.

(f) In the event that the Securities Depository for the Bonds discontinues providing its services, the State shall either engage the services of another Securities Depository or arrange with a Registrar and Paying Agent for the delivery of physical certificates in the manner described in subsection (e) above.

(g) In connection with any notice or other communication to be provided to the Holders of Bonds by the State or by the Registrar and Paying Agent with respect to any consent or other action to be taken by the Holders of Bonds, the State or the Registrar and Paying Agent, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository Nominee notice of such record date not less than 15 days in advance of such record date to the extent possible.

(h) At the closing of the Bonds and the delivery of the same to the purchaser thereof through the facilities of DTC, the Paying Agent and Registrar may maintain custody of Bond certificates on behalf of DTC in accordance with DTC's "FAST" closing procedures.

(i) For as long as the Bonds are being held under a book-entry system of a securities depository, the State shall remit to the Paying Agent and Registrar by 1:00 p.m. New York time on each Bond Payment Date funds for all principal and interest payments due thereupon, or at such earlier time as required by the Paying Agent and Registrar to guarantee that DTC or successor Securities Depository will receive payment in same-day funds by 2:30 p.m. New York time on such Bond Payment Date. In addition, automated payment details receipt shall be provided by the Paying Agent by 12:00 noon New York time of each Bond Payment Date for interest payments and by 2:30 p.m. New York time for redemption and corporate action payments.

Section 3.21 Form of Bonds.

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

Section 3.22 Borrowing in Anticipation of Issuance of Bonds.

Pursuant to the BAN Act, there may be issued from time to time at the discretion of the Governor and the State Treasurer BANs in aggregate principal amount not exceeding \$85,650,000 in anticipation of the issuance of Bonds. If BANs are issued and if, upon the maturity thereof the Governor and the State Treasurer should determine that it would be in the best interest of the State to renew or refund the BANs, they are authorized to renew or refund the BANs from time to time until the Governor and the State Treasurer determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

(a) The BANs shall be dated and bear interest from the Dated Date thereof, payable upon the stated maturity thereof and shall mature on such dates as determined by the State Treasurer, provided that no BAN shall mature on a date which is later than one year following the issuance thereof. Interest on the BANs shall be calculated on the basis of a 360-day year of twelve 30-day months. The BANs shall be payable, both as to principal and interest, in legal tender upon maturity, at the principal office of the Paying Agent. The BANs may be issued in denominations of \$1,000 and integral multiples thereof. The BANs shall be executed in the name and on behalf of the State by the manual or facsimile signature of the Governor and the State Treasurer with the Great Seal of the State (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon and attested by the Secretary of State. BANs bearing the manual or facsimile signature of any Person who shall have been such an Authorized Officer at the time such BANs were so executed shall bind the State notwithstanding the fact that he may have ceased to be such Authorized Officer prior to the authentication and delivery of such BANs or was not such Authorized Officer at the date of the authentication and delivery of the BANs.

(b) The State Treasurer shall appoint a financial institution maintaining corporate trust offices to serve as Registrar and Paying Agent for the BANs.

(c) The Authority hereby authorizes the State Treasurer to cause to be prepared and to “deem final” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission a preliminary official statement relating to the BANs and to cause to be prepared and to approve a final official statement following the sale of the BANs. The Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the BANs. If the BANs are offered and sold to a financial institution to be held for its own account, the State Treasurer will not be required to (i) prepare a preliminary official statement or final official statement if such purchaser executes and delivers an investment letter in form and content acceptable to the State Treasurer, or (ii) undertake any obligation to deliver a Continuing Disclosure Undertaking.

(d) The BANs may be sold at public or private sale. Bids therefor shall be received until such time and date to be selected by the State Treasurer. Notice of sale of the BANs shall be given in a manner determined by the State Treasurer. Upon receipt of bids for the BANs, the Governor and the State Treasurer shall, and they are hereby authorized to, award the BANs to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the notice of sale and determined at the State Treasurer’s discretion, without further action on the part of the Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award.

(e) The BANs shall be issued in such form and with such terms and conditions, not inconsistent with this Resolution, as shall be determined by the State Treasurer. No BAN shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such BAN a certificate of authentication duly executed by the manual signature of the Registrar and such certificate of authentication upon any BAN executed on behalf of the State shall be conclusive evidence that the BAN so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of the Resolution.

(f) The BANs shall be issued in fully registered form either (i) under a book-entry only system, registered in the name of Cede & Co. as the registered owner and securities depository nominee of DTC, or (ii) in physical form registered the name of the Holder, as specified by the Governor and the State Treasurer, who may permit the purchaser to make such determination. Conditions as to ownership, exchange, transfer, replacement and payment of BANs shall be as provided for Bonds herein, except as expressly provided in this Resolution to the contrary. The BANs may, at the discretion of the State Treasurer, be subject to redemption prior to their stated maturity, on such terms and conditions as the State Treasurer may prescribe, except that the maximum premium to be paid for prior redemption shall not exceed one half of one per centum (1/2%).

(g) For the payment of the principal of and interest on the BANs as the same shall fall due, the full faith, credit, and taxing power of the State shall be pledged. In addition thereto, so much of the principal proceeds of the Bonds when issued shall and is hereby directed to be applied, to the extent necessary, to the payment of the BANs; and, further, the State covenants and irrevocably pledges to effect the issuance of the Bonds or, in the alternative, to refund or renew Outstanding BANs in order that the proceeds thereof will be sufficient to provide for the retirement of any BANs issued pursuant hereto.

(h) Proceeds from the sale of the BANs shall be applied in the manner as provided by Section 6.01 herein for Bonds.

(i) Both the principal of and interest on the BANs shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State, direct or indirect,

general or special, whether imposed for the purpose of general revenue or otherwise, except estate or other transfer taxes, and certain fees or franchise taxes.

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

(k) Without limiting the generality or specifics of any other provision in this Resolution, the term “Bonds” as used in Articles VII, VIII, IX and X shall include BANs.

[End of Article III]

ARTICLE IV
REDEMPTION OR PURCHASE OF BONDS

Section 4.01 Authorization of Redemption.

The Bonds may be subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State Treasurer, upon such dates and at such Redemption Prices as shall be determined by the State Treasurer.

Section 4.02 State's Election to Redeem.

In the event that the State shall elect to redeem Bonds, it shall give notice by State Request to the Registrar and Paying Agent of each optional redemption, which notice may be conditional in the discretion of the State Treasurer. Each State Request shall specify the date fixed for redemption and the Bonds which are to be redeemed. Such notice shall be given at least 60 days prior to the date fixed for redemption or such lesser number of days as shall be acceptable to the Registrar.

Section 4.03 Notice of Redemption.

(a) When any Bonds are to be redeemed, the Registrar shall give notice of the redemption of the Bonds in the name of the State specifying: (i) the Bonds, the particular Series thereof, and maturities to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers and other distinguishing marks of the Bonds to be redeemed unless all of the Bonds Outstanding are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; (vi) whether the redemption of the Bonds is conditioned upon any event; and (vii) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section unless such condition has been satisfied as of the redemption date. The Registrar shall mail by registered mail a copy of such notice, postage prepaid, not less than 30 days before the redemption date to the registered Holders of all the Bonds or portions of the Bonds which are to be redeemed at their addresses which appear upon the registration books, but failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of the Bonds held by Holders to whom written notice has been mailed. The obligation of the Registrar to give the notice required by this Section shall not be conditioned upon the prior payment to the Paying Agent of money or the delivery to the Paying Agent of Authorized Investments or Government Obligations sufficient to pay the Redemption Price of the Bonds to which such notice relates or the interest thereon to the redemption date.

(b) Notice of redemption having been given as provided in subsection (a) hereof, the Bonds or portions thereof so to be redeemed shall, on the date fixed for redemption, become due and payable at the Redemption Price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or portions thereof shall be paid at the Redemption Price, plus accrued interest to the redemption date; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section until such condition has been satisfied as of the redemption date. On and after the redemption date (unless the State shall default in the payment of the Redemption Price and accrued interest, or any conditional provision in the notice shall not have been satisfied as of the redemption date), such Bonds shall cease to bear interest, and such Bonds shall no longer be considered as Outstanding hereunder. If money sufficient to pay the Redemption Price and accrued interest has not been made

available by the State to the Paying Agent on the redemption date, such Bonds shall continue to bear interest until paid at the same rate as they would have borne, had they not been called for redemption, until the same shall have been paid.

Section 4.04 Selection by Registrar of Bonds to be Redeemed.

(a) If less than all of the Bonds of like maturity are to be redeemed, the particular Bonds or portions of the Bonds to be redeemed shall be selected, not less than 45 days prior to the date fixed for redemption, by the Registrar by lot or in such other manner as the Registrar may deem to be appropriate, provided, however, that for so long as the Bonds are held in book-entry only form, the selection of Bonds to be redeemed hereunder shall be in accordance with the rules of the Securities Depository.

(b) In making such selection, the Registrar shall treat each Bond to be redeemed as representing that number of Bonds of the lowest authorized denomination as is obtained by dividing the principal amount of such Bond by such denomination. If any Bond is to be redeemed in part, the portion to be so redeemed shall be in a principal amount of an authorized denomination.

(c) The Registrar shall promptly notify the State in writing of the Bonds so selected for redemption.

Section 4.05 Deposit of Redemption Price.

On or before any date fixed for redemption of any Bonds, cash and/or a principal amount of non-callable Government Obligations maturing or redeemable at the option of the Holder thereof not later than the date fixed for redemption which, together with income to be earned on such Government Obligations prior to such date fixed for redemption, will be sufficient to provide cash to pay the Redemption Price of and accrued interest on all Bonds or portions thereof which are to be redeemed on such date, shall be deposited with the Paying Agent unless such amount shall have been previously deposited with the Paying Agent. Provided, however, that in the event of a conditional redemption such condition is not met, this Section 4.05 is inapplicable.

Section 4.06 Partial Redemption of Bonds.

In the event part but not all of a Bond Outstanding shall be selected for redemption, upon presentation and surrender of such Bond by the Holder thereof or his attorney duly authorized in writing (with, if the State or the Registrar so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the State and the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) to the Registrar, the State shall execute and the Registrar shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of any authorized denomination of like tenor. Bonds so presented and surrendered shall be cancelled in accordance with Section 3.14 hereof.

Section 4.07 Purchases of Bonds Outstanding.

Purchases of Bonds Outstanding may also be made by the State at any time with money available to it from any source. Upon any such purchase the State shall deliver such Bonds to the Registrar for cancellation.

[End of Article IV]

ARTICLE V SALE OF BONDS

Section 5.01 Determination of Time to Receive Bids; Form of Notice of Sale.

(a) The Bonds shall be sold at public sale on such terms as may be prescribed by the State Treasurer. Bids shall be received until such time and date to be selected by the State Treasurer. The form of the notice of sale shall be substantially similar to that set forth in Exhibit G attached hereto (the “Notice of Sale”) and made a part hereof. The Notice of Sale, or, at the election of the State Treasurer, a summary thereof, shall be published in a financial paper published in the City of New York, New York, which regularly publishes notices of sale of state or municipal bonds, which Notice of Sale shall each appear at least once and not less than seven days before the date set for said sale. The Notice of Sale may be combined with a notice of sale for other general obligation bonds of the State being offered for sale at the same time, if any.

(b) The Bonds authorized hereby, if so determined by the State Treasurer, may be issued in the form of a single instrument, subject to the following terms and conditions: (i) the Dated Date of the Bond shall be the date determined by the State Treasurer, and the Bond shall bear interest from such date; (ii) the references to “Bonds” throughout the Resolution shall be understood to refer to the single instrument authorized by this Section 5.01(b); (iii) the State Treasurer may require that the Bond bear a single, fixed rate of interest; (iv) the form of the Bonds as set forth in Exhibit F hereto and the Notice of Sale as set forth in Exhibit G hereto shall be appropriately modified; (v) the State Treasurer may determine that the State will not undertake any obligation to deliver a Continuing Disclosure Undertaking as provided in Exhibit H hereto; (vi) the State Treasurer may determine that the Bond shall not be issued in book-entry-only form, and, in lieu thereof, shall be registered directly in the name of the Holder as directed by the purchaser thereof; and (vii) the State Treasurer may determine that an official statement shall not be prepared in connection with the sale of the Bond.

Section 5.02 Award of Bonds.

Upon receipt of bids for the Bonds, the Governor and the State Treasurer shall, and they are hereby authorized to, award the Bonds to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the Notice of Sale and determined at the State Treasurer’s discretion, without further action on the part of the Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award. The State shall have the right to reject all proposals and to re-advertise the Bonds for sale. Any proposal not conforming to the Notice of Sale may be rejected, but the State shall have the right to waive technicalities.

Section 5.03 Official Statement.

The Authority hereby authorizes the State Treasurer to prepare or cause to be prepared and to “deem final,” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, a preliminary official statement relating to the Bonds and to prepare or cause to be prepared and to approve a final official statement following the sale of the Bonds. The Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the Bonds.

Section 5.04 Combined Sales.

If the State Treasurer deems it prudent, the Bonds may be sold in combination with other series of general obligation bonds of the State, the issuance of which shall have been properly authorized and the form and details for which may be provided for in the same preliminary official statement and same final official statement as that for the Bonds.

[End of Article V]

ARTICLE VI
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments.

(a) The proceeds derived from the sale of the Bonds shall be applied and disposed of as follows:

 (i) accrued interest, if any, shall be applied to the payment of the first installment of interest to become due on the Bonds;

 (ii) the premium, if any, shall be applied as determined by the State Treasurer;

 (iii) the remaining proceeds of the Bonds shall be segregated by the State Treasurer for the account of the University and shall be applied to pay all or a portion of the costs of the Project or to repay the BANs, as applicable; and

 (iv) any remaining proceeds may be used for the payment of the costs of issuing the Bonds.

(b) Pending the use of Bond proceeds as provided in Sections 6.01(a) of this Section, the same shall be invested and reinvested by the State Treasurer in Authorized Investments. The investment earnings therefrom may be used either for any lawful purpose of the State, including for the purposes described in Section 6.01(a) above, or, if so required by the Code, to make any necessary rebate to the United States Government.

(c) Neither the purchaser of the Bonds nor any registered Holder of the Bonds shall be liable for the proper application of the proceeds of the Bonds or the BANs.

[End of Article VI]

ARTICLE VII
DEFEASANCE OF BONDS

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

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

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

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

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

(d) Subject to the provisions of Section 59-107-200 of the Enabling Act, if applicable, if the State shall elect to provide for the payment of the Bonds prior to their stated maturities and shall have deposited with the Escrow Agent in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with said Escrow Agent at the same time, shall be sufficient to pay when due the Principal Installment or Redemption Price to become due on their maturity dates or redemption dates, as the case may be, on the Bonds on and prior to their maturity dates or redemption dates, and interest due on the Bonds on or prior to their maturity or redemption dates, as the case may be. In the event that the State shall elect to redeem Bonds prior to their stated maturities, the State shall proceed in the manner prescribed by Article IV hereof, subject to the provisions of Section 3.20 in the event that at the time of such election the Bonds Outstanding are issued in book-entry only form.

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

Section 7.02 Notice of Defeasance.

Upon the defeasance of the Bonds, all notices required by the South Carolina Code and the Continuing Disclosure Undertaking shall be given.

[End of Article VII]

ARTICLE VIII
CONCERNING THE FIDUCIARIES

Section 8.01 Fiduciaries; Appointment and Acceptance of Duties.

Each Fiduciary shall accept the duties and trusts imposed upon it by this Resolution and shall agree in writing to perform such trusts but only upon the terms and conditions set forth in this Article VIII. Similarly, each financial institution appointed as a successor Registrar, a successor Paying Agent or successor Escrow Agent shall signify its acceptance of the duties and trusts imposed by this Resolution by a written acceptance.

Section 8.02 Responsibilities of Fiduciaries.

The recitals of fact herein and in the Bonds contained shall be taken as the statements of the State and no Fiduciary assumes any responsibility for the correctness of the same except in respect of the authentication certificate of the Registrar endorsed on the Bonds. No Fiduciary makes any representations as to the validity or sufficiency of this Resolution or of any Bonds or as to the security afforded by this Resolution, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof or to advance any of its own moneys, unless indemnified to its reasonable satisfaction. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Section 8.03 Evidence on Which Fiduciaries May Act.

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the State, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

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

Section 8.04 Compensation.

The State shall pay to each Fiduciary from time to time reasonable compensation based on the then standard fee schedule of the Fiduciary for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution; provided, however, that any specific agreement between the State and a Fiduciary with respect to the compensation of such Fiduciary shall control the compensation to be paid to such Fiduciary.

Section 8.05 Certain Permitted Acts.

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

Section 8.06 Resignation of Any Fiduciary.

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

Section 8.07 Removal of Fiduciary.

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

Section 8.08 Appointment of Successor Fiduciaries.

(a) In case any Fiduciary hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the State Treasurer. Every such Fiduciary appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State, having a stockholders' equity of not less than \$75,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable and customary terms.

(b) If in a proper case, no appointment of a successor Fiduciary shall be made by the State Treasurer pursuant to the foregoing provisions of this Section within 45 days after any Fiduciary shall have given to the State Treasurer written notice as provided in Section 8.06 hereof or after a vacancy in the office of such Fiduciary shall have occurred by reason of its removal or inability to act, the former Fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor.

Section 8.09 Transfer of Rights and Property to Successor.

Any successor Fiduciary appointed under this Resolution shall execute, acknowledge and deliver to its predecessor, and also to the State, an instrument accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary, with like effect as if originally named in such capacity; but the Fiduciary ceasing to act shall nevertheless, upon State Request, or of the successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of the predecessor Fiduciary in and to any property held by it under this Resolution, and shall pay over, assign and deliver to the successor Fiduciary any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the State be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the State. Any such successor Fiduciary shall promptly notify the other Fiduciaries, if any, and any depository of its appointment as Fiduciary.

Section 8.10 Merger or Consolidation.

Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act; provided, however, such company shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Resolution; and further provided, however, that such company otherwise meets the qualifications for successor Fiduciaries set forth in Section 8.08 herein.

Section 8.11 Adoption of Authentication.

In case any of the Bonds contemplated to be issued under this Resolution shall have been authenticated but not delivered, any successor Registrar may adopt the certificate of authentication of any predecessor Registrar so authenticating such Bonds and deliver such Bonds so authenticated. In case any such Bonds shall not have been authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in the name of the successor Registrar, and in all such cases such certificate shall be of full force and effect.

[End of Article VIII]

ARTICLE IX
FEDERAL TAX CONSIDERATIONS

Section 9.01 Compliance with the Code.

The State will comply with all requirements of the Code in order to preserve the tax-exempt status of interest on the Bonds, including without limitation, (i) the requirement to file Form 8038-G, *Information Return for Tax-Exempt Government Obligations*, with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) of the Code. In this connection, the State covenants to execute any and all agreements, certificates and other documentation as it may be advised by bond counsel will enable it to comply with this Article IX, and such agreements, certificates and other documentation may be executed by an Authorized Officer.

Section 9.02 Tax Representations and Covenants.

The State hereby represents and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the Holders thereof for federal income tax purposes pursuant to the provisions of the Code and the United States Treasury Regulations (the “Regulations”). Without limiting the generality of the foregoing, the State represents and covenants that:

(a) All property financed or refinanced with the proceeds of the Bonds will be owned by the State or a political subdivision thereof so long as the Bonds are Outstanding in accordance with the rules governing the ownership of property for federal income tax purposes.

(b) The State shall not use, and will not permit any party to use, the proceeds of the Bonds in any manner that would result in (i) five percent (5%) or more of such proceeds being considered as having been used in a Private Business Use; or (ii) an amount greater than the lesser of five percent (5%) of such proceeds or \$5,000,000 being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

(c) The State is not a party to, and will not enter into or permit any other party to enter into, any contract with any person involving the management of any facility financed or refinanced with the proceeds of the Bonds or by notes paid by the Bonds that does not conform to the guidelines set forth in Revenue Procedure 2017-13, or a successor revenue procedure, Code provision or Regulations.

(d) The State will not sell, or permit any other party to sell, any property financed or refinanced with the Bonds to any person unless it obtains an opinion of nationally recognized bond counsel that such sale will not affect the tax-exempt status of the Bonds.

(e) The Bonds will not be “federally guaranteed” within the meaning of Section 149(b) of the Code. The State shall not enter into, or permit any other party to enter into, any leases or sales or service contract with any federal government agency with respect to any facility financed or refinanced with the proceeds of the Bonds and will not enter into any such leases or contracts unless it obtains the opinion of nationally recognized bond counsel that such action will not affect the tax-exempt status of the Bonds.

Section 9.03 Arbitrage Bonds.

The State hereby covenants and agrees with the Holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds, would have caused the Bonds to be “arbitrage bonds,” as defined in the Code, and to that end the State hereby shall:

(a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any Regulations so long as the Bonds are Outstanding;

(b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code and Regulations relating to required rebate of certain amounts to the United States Government;

(c) make such reports of such information at the time and places required by the Code and Regulations; and

(d) take such other action as may be required to assure that the tax-exempt status of the Bonds will not be impaired.

Section 9.04 Taxable Series and Taxable BANS; Inapplicability of this Article.

The State Treasurer is hereby authorized to designate a Series of Bonds as a Taxable Series. The provisions of the preceding Sections of this Article IX shall not apply to Bonds of a Taxable Series.

[End of Article IX]

ARTICLE X
MISCELLANEOUS

Section 10.01 Failure to Present Bonds.

Any money held by the Paying Agent in trust for the payment and discharge of any of the Bonds, or the interest thereon, which remains unclaimed for such period of time, after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, that the Holder thereof shall no longer be able to enforce the payment thereof, the Paying Agent shall at the written request of the State pay such money to the State as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the State for the payment of such Bonds; provided, however, the Paying Agent shall forward to the State all moneys which remain unclaimed during a period five years from a Bond Payment Date; and further provided, however, that before being required to make any such payment to the State, the Paying Agent, at the expense of the State, may conduct such investigations as may in the opinion of the Paying Agent be necessary to locate the Holders of those who are entitled to take such funds.

Section 10.02 Severability of Invalid Provisions.

If any one or more of the covenants or agreements provided in this Resolution should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Resolution.

Section 10.03 Resolution to Constitute Contract.

In consideration of the purchase and acceptance of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Resolution, with the exception of the findings of fact in Article I hereof, shall be deemed to be and shall constitute a contract between the State and the Holders from time to time of the Bonds, and such provisions are covenants and agreements with such Holders which the State hereby determined to be necessary and desirable for the security and payment thereof. The pledge hereof and the provisions, covenants, and agreements herein set forth to be performed on behalf of the State shall be for the equal benefit, protection, and security of the Holders of any and all of the Bonds, all of which shall be of equal rank without preference, priority or distinction of any Bonds over any other Bonds.

Section 10.04 Execution of Closing Documents and Certificates.

The Governor, the State Treasurer, the Secretary of State and any other officers or employees of the State are fully authorized and empowered to take such further action and to execute and deliver such closing documents and certificates as may be necessary and proper in order to complete the issuance of the Bonds herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents, in such form as he or they shall approve, is hereby fully authorized.

Section 10.05 Filing of Copies of Resolution.

Copies of this Resolution shall be filed in the offices of the Authority, the office of the Secretary of State (as a part of the Transcript of Proceedings filed for each Series of Bonds), and with the offices of each Paying Agent and Registrar for each Series of Bonds.

Section 10.06 Benefits of Resolution Limited to the State and Holders of the Bonds.

With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or should be construed to confer upon or give to any Person other than the State and the Holders of the Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the State and the Holders from time to time of the Bonds as herein and therein provided.

Section 10.07 No Personal Liability.

No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the State contained in this Resolution or the Bonds, against any member of the Authority, any officer or employee, as such, in his or her individual capacity, past, present or future, of the State, either directly or through the State, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Resolution and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer or employee as such, past, present or future, of the State, either directly or by reason of any of the obligations, covenants, promises or agreements entered into between the State and Bondholders or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the adoption of this Resolution and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Bonds, expressly waived and released. The immunity of members of the Authority, officers and employees of the State under the provisions contained in this Section shall survive the termination of this Resolution.

Section 10.08 Continuing Disclosure.

(a) In accordance with Section 11-1-85 of the South Carolina Code, the Authority hereby covenants to file with a central repository for availability in the secondary bond market when requested: (i) an annual independent audit, within 30 days of the State's receipt of the audit; and (ii) event specific information, within 30 days of an event adversely affecting more than five percent of the State's revenue or tax base. The only remedy for failure by the State to comply with the covenant in this Section 10.08 shall be an action for specific performance of this covenant. The Authority specifically reserves the right to amend this covenant to reflect any change in said Section 11-1-85 without the consent of any Bondholder.

(b) In addition, the State hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Failure of the State to comply with the Continuing Disclosure Undertaking shall not be considered an event of default hereunder; provided, however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the State to comply with its obligations under this Section 10.08(b). The Continuing Disclosure Undertaking shall be executed by the State Treasurer prior to the delivery of the Bonds and shall be substantially in such form as is set forth in Exhibit H

hereto, together with such modifications and amendments thereto as shall be deemed necessary by the State Treasurer upon advice of counsel. Additionally, the form of the Continuing Disclosure Undertaking shall be amended and modified as necessary to comply with any rules or regulations promulgated by the United States Securities and Exchange Commission. The execution of the Continuing Disclosure Undertaking shall constitute conclusive evidence of the approval by the State Treasurer of any and all modifications and amendments thereto.

Section 10.09 Law and Place of Enforcement of the Resolution.

This Resolution shall be construed and interpreted in accordance with the laws of the State and all suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State.

Section 10.10 Effect of Article and Section Headings and Table of Contents.

The heading or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 10.11 Repeal of Inconsistent Resolutions.

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

Section 10.12 Effectiveness of this Resolution.

This Resolution shall become effective upon its adoption.

[End of Article X]

EXHIBIT A

DEBT SERVICE REQUIREMENTS
ON ALL STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

Fiscal Year Ending	Existing Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ -	\$ -	\$ -
June 30, 2024	3,170,000	1,613,275	4,783,275
June 30, 2025	2,445,000	1,475,650	3,920,650
June 30, 2026	2,565,000	1,353,400	3,918,400
June 30, 2027	2,705,000	1,225,150	3,930,150
June 30, 2028	2,835,000	1,089,900	3,924,900
June 30, 2029	2,985,000	948,150	3,933,150
June 30, 2030	3,105,000	824,900	3,929,900
June 30, 2031	3,240,000	696,350	3,936,350
June 30, 2032	2,190,000	561,950	2,751,950
June 30, 2033	2,270,000	480,850	2,750,850
June 30, 2034	2,355,000	396,550	2,751,550
June 30, 2035	2,440,000	308,900	2,748,900
June 30, 2036	2,530,000	217,900	2,747,900
June 30, 2037	985,000	123,300	1,108,300
June 30, 2038	1,010,000	93,750	1,103,750
June 30, 2039	1,040,000	63,450	1,103,450
June 30, 2040	1,075,000	32,250	1,107,250
Total	<u>\$ 38,945,000</u>	<u>\$ 11,505,675</u>	<u>\$ 50,450,675</u>

EXHIBIT B

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
 SCHEDULE OF TUITION FEES IN EFFECT FOR PURPOSES OF
 SECTIONS 59-107-10 ET SEQ., CODE OF LAWS OF
 SOUTH CAROLINA 1976, AS AMENDED

Set forth below are the tuition and fees charged by each of the Academic Division's Colleges for resident and non-resident students for the 2022-2023 academic year (excluding the summer term) on an annual basis (except as shown):

	<u>In-State¹</u>	<u>Out-of-State¹</u>
Dental Medicine		
Doctor of Dental Medicine	\$17,150	\$30,000
Dental Scientist Training Program	7,905	7,905
Master of Science in Dentistry - Endodontics	20,338	20,338
Master of Science in Dentistry – Periodontics	3,218	3,902
Master of Science in Dentistry - Orthodontics	3,218	3,902
Master of Science in Dentistry – Digital Dentistry	20,167	20,167
Graduate Studies		
Master of Science in Biomedical Sciences	\$ 6,752	\$9,484
Master of Science in Clinical Research	6,887	10,538
Master of Science in Medical Sciences	7,025	10,538
Ph.D. Program	7,954	10,686
Health Professions		
Bachelor of Science in Healthcare Studies	\$4,900	\$4,900
Cardiovascular Perfusion	8,149	12,831
Master in Extracorporeal Science		6,000
Master in Genetic Counseling	9,000	12,831
Doctor of Nurse Anesthesia Practice - Post-Masters	7,724	7,956
Doctor of Nurse Anesthesia Practice - Post-Baccalaureate	7,724	11,397
Master in Health Administration-Executive	8,525	9,682
Master in Health Administration-Residential	8,525	12,828
Master of Science in Health Informatics	8,525	8,525
Master of Science in Speech Pathology	8,349	12,465
Master of Science in Physical Assistant Studies	8,274	14,787
Doctor of Health Administration – Health Professional	10,290	10,290
Doctor of Health Administration - Health Administrator	10,290	10,290
Doctor of Health Administration –Interprofessional	6,958	6,958
Doctor of Health Administration- Information Systems	6,958	6,958
Ph. D. in Health and Rehabilitation Science	6,202	6,569
Doctor of Physical Therapy	8,142	12,280
Doctor of Occupational Therapy	8,346	12,465
Medicine		
First Year	\$12,500	\$22,283

	<u>In-State¹</u>	<u>Out-of-State¹</u>
Second Year	10,800	19,333
Third Year	14,533	24,000
Fourth Year	14,122	25,826
Master of Public Health	6,752	10,538
Nursing		
Undergraduate-BSN	\$ 7,811	\$14,092
Undergraduate-RN-BSN	5,480	5,926
Graduate – DNP	8,116	10,542
Graduate & Ph.D.	8,116	10,332
Pharmacy		
Doctor of Pharmacy-First, Second, Third Years	\$13,413	\$13,413
Doctor of Pharmacy-Fourth Year	11,691	11,691
International Doctor of Pharmacy-First, Second, Third Years		20,208
International Doctor of Pharmacy-Fourth Year		17,505
Doctor of Pharmacy/Master of Science in Health Informatics (PharmD/MSHI) – Second & Third Year		
Fall Term	18,603	19,311
Spring Term	16,008	16,362
– Fourth Year	14,286	14,640
Graduate Certificate Program in Clinical Pharmacy	55,125	55,125

For the fiscal year ended June 30, 2022, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$15,185,306. The tuition and fees generated for the 2022 summer term are not included.

The maximum principal and interest debt service payment prior to the issuance contemplated herein is \$4,783,275, which occurs in the fiscal year ending June 30, 2024.

The maximum principal and interest debt service payment after the issuance contemplated herein is anticipated to be \$9,895,940*, which is anticipated to occur in the fiscal year ending June 30, 2031.

¹ All tuition per semester unless otherwise noted.

* Preliminary, subject to change.

EXHIBIT C

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
PRO-FORMA DEBT SERVICE REQUIREMENTS OF
NOT EXCEEDING \$85,650,000 STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2024	\$ 2,545,000	\$ 1,992,417	\$ 4,537,417
June 30, 2025	3,420,000	2,541,169	5,961,169
June 30, 2026	3,515,000	2,448,487	5,963,487
June 30, 2027	3,600,000	2,359,909	5,959,909
June 30, 2028	3,690,000	2,273,149	5,963,149
June 30, 2029	3,775,000	2,186,065	5,961,065
June 30, 2030	3,865,000	2,098,485	5,963,485
June 30, 2031	3,950,000	2,009,590	5,959,590
June 30, 2032	4,045,000	1,917,950	5,962,950
June 30, 2033	4,140,000	1,822,893	5,962,893
June 30, 2034	4,240,000	1,723,533	5,963,533
June 30, 2035	4,350,000	1,611,597	5,961,597
June 30, 2036	4,475,000	1,484,142	5,959,142
June 30, 2037	4,620,000	1,340,942	5,960,942
June 30, 2038	4,775,000	1,183,400	5,958,400
June 30, 2039	4,945,000	1,013,887	5,958,887
June 30, 2040	5,125,000	833,889	5,958,889
June 30, 2041	5,320,000	641,702	5,961,702
June 30, 2042	5,520,000	439,010	5,959,010
June 30, 2043	5,735,000	225,386	5,960,386
Total	<u>\$ 85,650,000</u>	<u>\$ 32,147,597</u>	<u>\$ 117,797,597</u>

* Preliminary, subject to change.

EXHIBIT D

SCHEDULE SHOWING PRO-FORMA TOTAL PRINCIPAL AND INTEREST REQUIREMENTS OF
ALL GENERAL OBLIGATION STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
INCLUDING THE PROPOSED ISSUE OF
EIGHTY-FIVE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$85,650,000)
OF GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	Combined Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ -	\$ -	\$ -
June 30, 2024	5,715,000	3,605,692	9,320,692
June 30, 2025	5,865,000	4,016,819	9,881,819
June 30, 2026	6,080,000	3,801,887	9,881,887
June 30, 2027	6,305,000	3,585,059	9,890,059
June 30, 2028	6,525,000	3,363,049	9,888,049
June 30, 2029	6,760,000	3,134,215	9,894,215
June 30, 2030	6,970,000	2,923,385	9,893,385
June 30, 2031	7,190,000	2,705,940	9,895,940
June 30, 2032	6,235,000	2,479,900	8,714,900
June 30, 2033	6,410,000	2,303,743	8,713,743
June 30, 2034	6,595,000	2,120,083	8,715,083
June 30, 2035	6,790,000	1,920,497	8,710,497
June 30, 2036	7,005,000	1,702,042	8,707,042
June 30, 2037	5,605,000	1,464,242	7,069,242
June 30, 2038	5,785,000	1,277,150	7,062,150
June 30, 2039	5,985,000	1,077,337	7,062,337
June 30, 2040	6,200,000	866,139	7,066,139
June 30, 2041	5,320,000	641,702	5,961,702
June 30, 2042	5,520,000	439,010	5,959,010
June 30, 2043	5,735,000	225,386	5,960,386
Total	<u>\$ 124,595,000</u>	<u>\$ 43,653,272</u>	<u>\$ 168,248,272</u>

* Preliminary, subject to change.

EXHIBIT E

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
PROOF SHOWING COMPLIANCE WITH
TITLE 59, CHAPTER 107, CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

Aggregate of tuition fees received by the University during preceding fiscal year ended June 30, 2022	\$15,185,306
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Multiplied by	90%
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Produces	\$13,666,775
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Maximum annual debt service on all State Institution Bonds of the University (including the proposed issue of not exceeding Eighty-Five Million Six Hundred Fifty Thousand Dollars (\$85,650,000) General Obligation State Institution Bonds issued on behalf of the University)	\$9,895,940*
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Margin	\$3,770,835
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* Calculated as of June 27, 2023

(FORM OF BOND)
(FACE OF BOND)UNITED STATES OF AMERICA
GENERAL OBLIGATION STATE INSTITUTION BOND
(ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA)
SERIES 2023
OF THE STATE OF SOUTH CAROLINA

No. R-1

<u>Rate of Interest</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
	____ 1, 20__	____ 1, 20__	

Registered Holder: CEDE & CO.Principal Amount: _____ DOLLARS (\$ _____)

THE STATE OF SOUTH CAROLINA (the "State") acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder named above, or registered assigns, the Principal Amount stated above, on the Maturity Date set forth above, unless this Bond be subject to redemption and shall have been redeemed prior thereto as hereinafter provided, upon presentation and surrender of this Bond at the Corporate Trust Office of _____, in the City of _____, State of _____ (the "Paying Agent"), and to pay interest on such Principal Amount at the Rate of Interest set forth above (calculated on the basis of a 360-day year consisting of twelve 30-day months), until the obligation of the State with respect to the payment of such Principal Amount shall be discharged.

So long as Cede & Co., as nominee of The Depository Trust Company ("DTC"), is the Registered Owner of the Bonds, references in this Bond to the Bondholders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners.

The State, the Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purpose of the payment of the principal of or interest or premium, if any, on the Bonds, giving any notice permitted or required to be given to Bondholders under the Resolution, hereinafter defined, registering the transfer of Bonds, obtaining any consent or action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The State, the Registrar and the Paying Agent shall not have any responsibility or obligation to any direct participant, any person claiming a beneficial ownership in the Bonds under or through DTC or any Direct Participant or any other person which is not shown on the Registration Books of the State (kept by the Registrar) as being a Bondholder with respect to: the accuracy of any records maintained by DTC or any Direct Participant; the payment by DTC or any Direct Participant of any amount in respect of the principal of or interest or premium, if any, on the Bonds; any notice which is permitted or required to be given to Bondholders thereunder or under the conditions for transfers or exchanges adopted by the State; or any consent given or other action taken by DTC as a Bondholder.

Interest on the Bonds is payable on ____ 1 and ____ 1 of each year (the "Bond Payment Dates") beginning ____ 1, 20___. The interest payable on any Bond Payment Date for any Bond shall be paid to the person in whose name the Bond is registered at the close of business on the 15th day next preceding such Bond Payment Date.

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

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

This Bond is one of an issue of Bonds in the aggregate principal amount of _____ dollars (\$_____,000) of like tenor, except as to registered owner, numbering, rate of interest, redemption provisions, and date of maturity, issued pursuant to and in accordance with the Constitution and statutes of the State of South Carolina, including, particularly the provisions of Chapter 107, Title 59 of the Code of Laws of South Carolina 1976, as amended, as supplemented by Sections 11-27-30 and 11-29-30 of the Code of Laws of South Carolina 1976, as amended, and a resolution (the "Resolution") duly adopted by the South Carolina State Fiscal Accountability Authority on _____, 20__.

[Insert Redemption Provisions]

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution. Certified copies of the Resolution are on file in the office of the Registrar, in the office of the Paying Agent and in the office of the Secretary of State of South Carolina.

For the payment of the principal of and interest on this Bond as the same respectively matures, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged.

This Bond and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

This Bond is issuable only as a fully registered Bond without coupons in denominations of \$1,000 and any whole multiple of \$1,000. This Bond is transferable, as provided in the Resolution, only upon the registration books kept for that purpose at the Corporate Trust Office of the Registrar by the Registered Holder in person or by his duly authorized attorney, upon (i) surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his duly authorized attorney; and (ii) payment of the charges, if any, prescribed in the Resolution. Thereupon a new fully registered Bond or Bonds of like series designation, maturity and interest rate, and in a like aggregate principal amount will be issued to the transferee in exchange therefor as provided in the Resolution. The State, the Paying Agent and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

The State shall not be obligated to issue, exchange or transfer this Bond during the 15 days next preceding any Bond Payment Date. For every exchange or transfer of the Bonds, the State, the Paying Agent, or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and Statutes of the State of South Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, that the amount of this Bond, together with all other indebtedness of the State of South Carolina, does not exceed any limit prescribed by such Constitution or Statutes, and that provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on this Bond and the issue of Bonds of which this Bond is one.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

IN WITNESS WHEREOF, the State of South Carolina has caused this Bond to be signed in its name by the manual or facsimile signatures of the Governor of South Carolina and the State Treasurer of South Carolina, the Great Seal of the State of South Carolina to be reproduced hereon and the same to be attested by the manual or facsimile signature of the Secretary of State of South Carolina.

THE STATE OF SOUTH CAROLINA

SEAL

Henry D. McMaster
Governor

Curtis M. Loftis, Jr.
State Treasurer

Attest:

Mark Hammond
Secretary of State

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Resolution.

[REGISTRAR], as Registrar

By: _____
Authorized Signatory

Date: _____, 20__

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(please print or type name and address of Transferee and Social Security or other identifying number of Transferee)

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints

_____,
attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

NOTE: The signature to this assignment must correspond with the name(s) on the face of the foregoing bond in every particular, without alteration.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("Stamp") or similar program.

The following abbreviations shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT _____	Custodian _____
TEN ENT --	as tenants by the entireties		(Cust) (Minor)
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	Under Uniform Gift to Minors Act of the State of _____	

Additional abbreviations may be used though not in the list above.

(FORM OF OFFICIAL NOTICE OF SALE)

OFFICIAL NOTICE OF SALE

\$ _____ *

STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA)
SERIES 2023

(BOOK-ENTRY ONLY)

ELECTRONIC BIDS for the purchase of the \$ _____ * General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series _____ of the State of South Carolina (the “Bonds”), will be received by the Governor of the State of South Carolina (the “Governor”) and the State Treasurer of the State of South Carolina (the “State Treasurer”), in the Office of the State Treasurer, Room 121, in the Wade Hampton Office Building, Capitol Complex, Columbia, South Carolina, 29201, until _____ a.m. (Eastern Time) on _____, or on such other date and time as may be established by the Governor and the State Treasurer and communicated by Thomson Municipal Market Monitor (“TM3”) not later than 48 hours prior to the time the bids are to be received.

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

Authorization and Security. The Bonds are issued pursuant to (i) Article X, Section 13(6)(b) of the South Carolina Constitution, and (ii) Title 59, Chapter 107 of the South Carolina Code, as supplemented by Sections 11-27-30 and 11-29-30 of the South Carolina Code, and constitute general obligations of the State. On _____, 20__, the South Carolina State Fiscal Accountability Authority adopted a resolution providing for the issuance of the Bonds.

Description of the Bonds. The Bonds will initially be subject to a system of book-entry registration maintained by The Depository Trust Company, New York, New York (“DTC”). Principal of the Bonds when due will be paid upon presentation and surrender of such Bonds at the Corporate Trust Office of the Paying Agent. The Bonds will be dated as of the date of delivery thereof (“Dated Date”) expected to be on or about _____, 20__, and bear interest at a rate or rates to be named by the successful bidder (the “Purchaser”). Interest on the Bonds will be payable on _____ 1 and _____ 1 of each year commencing _____ 1, 20__. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on the Bonds will be paid in any coin or currency of the United States of America, which, at the time of payment, is legal tender for the payment of public and private debts. The Bonds will be issued in denominations of \$1,000 or any multiple thereof. The Bonds will mature on _____ 1 in the years and principal amounts as follows:

* Subject to adjustment as set forth herein.

____ 1 Principal Amount*

____ 1 Principal Amount*

Optional Redemption. The Bonds maturing on or prior to ____, 20__, are not subject to optional redemption prior to their maturity date. The Bonds maturing after ____, 20__ are subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State, on and after ____, 20__, at the redemption price of par plus accrued interest to the date fixed for redemption.

[Term Bonds. Bidders may designate in their bid two or more consecutive annual principal payments as a term bond which matures on the last Annual Principal Payment Date of the sequence. Any term bond so designated must be subject to mandatory sinking fund redemptions in each year on the Annual Principal Payment Dates such that the principal amounts subject to mandatory sinking fund redemption match the principal amounts scheduled to mature as set forth in the table above* and equal, together with the principal amount of such term bond due at its maturity, the principal amount of the term bond. There is no limitation on the number of term bonds.]

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

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

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

Electronic Bidding Procedures. Bids to purchase Bonds (all or none) must be submitted electronically via PARITY®. Bids will be communicated electronically to the State at ____ a.m. (Eastern Time) on ____, _____. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via PARITY®, (2) modify the proposed terms of its bid, in which event the proposed

*Subject to adjustment as set forth herein.

terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY® to the State, each bid will constitute an irrevocable and unconditional offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY® shall constitute the official time. The State will not accept bids by any means other than electronically via PARITY®.

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

CONDITIONS OF SALE

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

- (1) All Bonds of the same maturity must bear the same rate of interest;
- (2) No rate of interest named shall be more than six (6.0) percentage points;
- (3) A zero (0.0) percentage point rate of interest is not permitted;
- (4) Each interest rate named must be a multiple of 1/8th or 1/20th of one (1) percentage point;
- (5) Any premium offered must be paid in cash as a part of the purchase price; and

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

[Term bonds are not permitted.]

By submitting a bid, each bidder represents that the bidder's proposal is genuine, and not a sham or collusive, and is not made in the interest of or on behalf of any person not therein named, the bidder has not directly or indirectly induced or solicited any other bidder to submit a sham bid or any other person, firm or corporation to refrain from bidding, and the bidder has not in any manner sought by collusion to secure for it an advantage over any other bidder. By submitting a bid for the Bonds, each

bidder also represents and warrants to the State that (i) it has an established industry reputation for underwriting new issuances of municipal bonds; and (ii) such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

Good Faith Deposit. No good faith deposit will be required.

Basis of Award. If at least three bids are received and the competitive sale requirements under provision of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) are met, the Bonds will be awarded to the bidder offering to purchase all of the Bonds at the lowest interest cost to the State. The lowest interest cost shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the amount bid, not including interest accrued to the date of delivery (expected to be on or about _____, ____), if any.

Issue Price Determination. The State expects and intends that the bid for the Bonds will satisfy the federal tax requirements for a qualified competitive sale of bonds, including, among other things, receipt of bids for the Bonds from at least three underwriters, who have established industry reputations for underwriting new issuances of municipal bonds (a "Qualified Competitive Bid"). The State will advise the successful bidder as promptly as possible after the bids are opened whether the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that fails to satisfy such requirements (a "Nonqualified Competitive Bid").

If the bid is a Qualified Competitive Bid, as promptly as possible after the bids are opened, the State will notify the successful bidder, and such bidder, upon such notice, shall advise the State, of the reasonably expected Initial Offering Price, as applicable, of each maturity of each series of the Bonds. In addition, the winning bidder shall be required to provide to the State information to establish the initial expected offering prices for each maturity of each series of the Bonds for federal income tax purposes by completing a certificate acceptable to Bond Counsel to the State, on or before the date of issuance of the Bonds, substantially in the form set forth in Exhibit A to the Official Notice of Sale, with appropriate completions, amendments and attachments.

If the bid is a Nonqualified Competitive Bid, as promptly as possible after the bids are opened, the State will notify the successful bidder, and such bidder, upon such notice, shall advise the State of the initial sale price or Initial Offering Price, as applicable, of each maturity of each series of the Bonds. In addition, the winning bidder shall be required to provide to the State information and assurances to establish the initial sale price or the initial offering price to the public, as applicable, for each maturity of each series of the Bonds for federal income tax purposes by completing a certification acceptable to Bond Counsel in substantially the form set forth in Exhibit B attached to this Supplement to the Official Notice of Sale, with appropriate completions, omissions and attachments. **It is noted that procedures for a Nonqualified Competitive Bid may require the winning bidder and, if applicable, other underwriters of the Bonds, to hold the initial offering prices for certain maturities of a series of the Bonds for up to five business days after the sale date, as further specified in the form of such certification.**

Acceptance or Rejection of Bids. Bids will be accepted or rejected promptly after receipt and not later than by 2:00 p.m. (Eastern Time) on the day of the sale. In the event of tie lowest interest cost bids, the State shall select the Purchaser(s).

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

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

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

Documents to be Delivered at Closing. The State will furnish, without cost to the Purchaser, the Bonds and the opinions as to their validity by Pope Flynn, LLC, Bond Counsel. The State will also furnish opinions of The Honorable Alan Wilson, Attorney General of the State of South Carolina as to the absence of litigation restraining or enjoining the issuance and delivery of the Bonds.

Tax Opinion. The opinion of Bond Counsel will state that (a) interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the “Code”). Such interest is, however, taken into account in determining the annual adjusted financial statement income of certain applicable corporations (as defined in Section 59(k) of the Code) for the purpose of determining the application of the 15-percent alternative minimum tax imposed on the adjusted financial statement income of such corporations for tax years beginning after December 31, 2022; and (b) the Bonds and the interest thereon are exempt from all taxation by the State of South Carolina, its counties, municipalities, and school districts, except estate, transfer, and certain franchise taxes. The opinion will further state that the Code establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds remains excluded from gross income for federal income tax purposes. Noncompliance may cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds, regardless of the date on which such noncompliance occurs or is ascertained. The State has covenanted to comply with the requirements of the Code in the resolutions pursuant to which the Bonds are issued and, in rendering its opinion, Bond Counsel will assume compliance with such covenants.

Undertakings of the Purchaser. The Purchaser agrees to provide certificates, including, but not limited to, an issue price certificate in the form attached hereto either as Exhibit A or as Exhibit B, as applicable.

CUSIP Numbers. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Bonds. The State’s Financial Advisor will timely apply for CUSIP numbers with respect to the Bonds as required by MSRB Rule G-34. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the State. However, the CUSIP Global Services charge for the assignment of such numbers shall be the responsibility of and shall be paid by the Purchaser.

Official Statement. A Preliminary Official Statement dated on or about _____, 20____, with respect to the Bonds has been prepared by the State, and such Preliminary Official Statement is deemed final by the

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

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

Additional Information. Prospective purchasers may obtain, in advance of the sale, copies of the Preliminary Official Statement relating to the Bonds from (i) the MuniOS website, <http://www.MuniOS.com>; (ii) Robert Macdonald, Director Debt Management Division, Office of State Treasurer, 122 Wade Hampton Office Building, Columbia, South Carolina 29201 (telephone: (803) 734-2677; email: robert.macdonald@sto.sc.gov); or (iii) Samuel W. Howell IV, Disclosure Counsel, Howell Linkous & Nettles, LLC, The Lining House, 106 Broad Street, Charleston, South Carolina, 29401 (telephone: (843) 266-3801; email: samhowell@bond-law.com).

Henry D. McMaster, Governor of South Carolina

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

Dated _____, 20__

FORM OF ISSUE PRICE CERTIFICATE FOR
QUALIFIED COMPETITIVE BID

ISSUE PRICE CERTIFICATE

\$ _____ *

STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA),
SERIES 2023

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

1. Reasonably Expected Initial Offering Price.

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

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

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

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

2. Defined Terms.

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

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

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

* Subject to adjustment as set forth herein.

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

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

Signed this ____ day of _____, ____.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Offering Prices

Schedule B

Copy of Winning Bid

FORM OF ISSUE PRICE CERTIFICATE FOR
NONQUALIFIED COMPETITIVE BID

ISSUE PRICE CERTIFICATE

\$ _____^{*}
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA),
SERIES 2023

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

1. ***Sale of the General Rule Maturities.*** As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which 10% of such Maturity was sold by the Purchaser to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Purchaser offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Official Notice of Sale and bid award, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to the foregoing, no Underwriter has offered or sold any Maturity of the Hold-the-Offering Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of each series of the Bonds shown in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of each series of the Bonds listed in Schedule A hereto as the “*Hold-the-Offering-Price Maturities*.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the

^{*} Subject to adjustment as set forth herein.

Sale Date, or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the State of South Carolina.

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

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

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, _____, 20__.

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

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

Signed this ____ day of _____, 2023.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Initial Offering Prices of the Bonds

Schedule B

Copy of Winning Bid

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered this ____ day of ____, 20__, by the State of South Carolina (the “State”) in connection with the issuance of the State’s \$_____ General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 20__ (the “Bonds”).

The Bonds are being issued pursuant to a resolution adopted on ____, 20__ (the “Resolution”), by the State Fiscal Accountability Authority authorizing the issuance of the Bonds. The State covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the State for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the U.S. Securities and Exchange Commission (the “SEC”) Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution or elsewhere in this Disclosure Undertaking, which apply to any capitalized terms used in this Disclosure Undertaking, the following capitalized terms shall have the following meanings:

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

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

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

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

“Financial Obligation” as used in this Disclosure Undertaking is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” means any of the events listed in Section 5(a) of this Disclosure Undertaking.

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

“Official Statement” means the Official Statement dated ____, 20__, prepared in connection with the Bonds.

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

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

“State” means the State of South Carolina.

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

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

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

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

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

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

Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available;

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

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

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

(e) Total general obligation bonds per capita as set forth in the Official Statement under the heading “TABLES RELATING TO THE BONDS AND THEIR EFFECT ON THE DEBT OF THE STATE-Relationship of Population and Personal Income to General Obligations of the State.”

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

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

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, if material;
- (viii) Bond calls, if material and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;

- (xii) bankruptcy, insolvency, receivership or similar event of any obligated person, which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;
- (xiii) the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (xv) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

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

Section 8. Dissemination Agent. The State may, from time to time, appoint or engage a Dissemination Agent to assist in its carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The

Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the State pursuant to this Disclosure Undertaking.

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

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

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

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

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

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

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

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and in any separate written agreement between the Issuer and the Dissemination Agent.

Section 13. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the State, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Undertaking is not intended to create any monetary rights on behalf of any person.

THE STATE OF SOUTH CAROLINA

Date: _____, 20__

By: _____
State Treasurer

EXHIBIT A

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

Issuer: The State of South Carolina

Obligations: \$_____ General Obligation State Institution Bonds (Issued on Behalf of
The Medical University of South Carolina), Series 2023

Date of Issuance: _____, 20__

CUSIP: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Resolution adopted on _____, 20__. The Issuer anticipates that the Annual Report will be filed by_____.

THE STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____



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[FORM OF BOND COUNSEL OPINION]

[Date of Delivery]

South Carolina State Fiscal Accountability Authority
Columbia, South Carolina

Re: \$_____ General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2023, of the State of South Carolina

Ladies and Gentlemen:

We have acted as bond counsel to the State of South Carolina (the “State”) in connection with the issuance of \$_____ General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2023, of the State of South Carolina (the “Bonds”), dated [Date of Delivery]. In such capacity, we have examined such laws and such certified proceedings and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to (i) Article X, Section 13(6)(b) of the South Carolina Constitution, (ii) Title 59, Chapter 107 of the South Carolina Code, as supplemented by Section 11-27-30 of the South Carolina Code and Section 11-29-30 of the South Carolina Code (the “Enabling Act”), and (iii) resolutions adopted on November 1, 2022 and June 27, 2023, by the South Carolina State Fiscal Accountability Authority, for the purpose of raising funds for purposes authorized by the Enabling Act, and to pay the costs of issuance of the Bonds.

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

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, that:

1. The Bonds are valid and legally binding general obligations of the State.
2. The full faith, credit, and taxing power of the State and, in addition, the revenues derived from Tuition Fees received by The Medical University of South Carolina are pledged to the payment of the principal of and interest on the Bonds as they become due and payable. Provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on the Bonds.
3. Interest on the Bonds (i) is excluded from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the federal alternative minimum

tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the “Code”). Such income is, however, taken into account in determining the annual adjusted financial statement income of certain applicable corporations (as defined in Section 59(k) of the Code) for the purpose of determining the application of the 15-percent alternative minimum tax imposed on the adjusted financial statement income of such corporations for tax years beginning after December 31, 2022.

Our opinion as to the exclusion of interest on the Bonds from gross income is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order for that interest to be, and continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date of issuance of the Bonds.

We express no opinion regarding any other federal tax consequences that may arise with respect to the Bonds.

4. Under existing law, both the Bonds and the interest thereon are exempt from all taxation by the State of South Carolina, its counties, municipalities, and school districts, except estate, transfer, and certain franchise taxes. Interest on the Bonds is currently subject to the tax imposed on banks by Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, which is enforced by the South Carolina Department of Revenue as a franchise tax.

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

We express no opinion regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement dated _____, 2023, or the Official Statement dated _____, 2023, relating to the Bonds.

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

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

Pope Flynn, LLC

AGENCY: Executive Director

SUBJECT: Amendment to the 2023 South Carolina State Ceiling Allocation Plan

In May 2023, Governor McMaster signed Senate Bill 739, a joint resolution regarding South Carolina's housing tax credits. Section 1 of the resolution requires the State Housing Finance and Development Authority to develop a plan to allocate the South Carolina Housing Tax Credits and nonrecurring, one-time funding made available pursuant to the joint resolution as supplemental financial support to certain multifamily housing projects.

Pursuant to Act 202 of 2022, the State Fiscal Accountability Authority (State Authority) adopted a State Ceiling Allocation Plan in August 2022 for calendar year 2023. As initially adopted, the plan required authorized requests for an allocation of state ceiling, as well as requests for issuance approval for projects using carryforward from prior years, be made at the State Authority's regularly scheduled meetings of March 28th and August 29th of 2023.

Projects receiving supplemental financial support pursuant to the joint resolution may also involve either a request for an allocation of state ceiling or a request for issuance approval regarding a project using carryforward from prior years. State Housing, however, cannot determine which projects will receive supplemental financial support in time for the August meeting because, prior to awarding any supplemental financial support, State Housing must submit its proposed plan to the Joint Bond Review Committee for review and comment. Housing must submit its plan no later than June 30th. The Committee's first meeting after June 30th is tentatively scheduled for August 22nd.

Given these circumstances, State Housing has asked the State Authority to delay its consideration of such requests until its October meeting. This change requires an amendment to the State Plan.

Such a delay would impact requests for non-housing projects, such as those regarding economic development. Accordingly, SFAA staff contacted both the South Carolina Coordinating Council for Economic Development and the South Carolina Jobs Economic Development Authority. Neither identified any concerns with the proposed change.

In order to approve the proposed amendment to the 2023 State Ceiling Allocation Plan, the Authority, pursuant to 1-11-520(B), must make a finding that the above facts presented by State Housing create exceptional and compelling circumstances warranting amendment.

AGENCY: Executive Director

SUBJECT: Amendment to the 2023 South Carolina State Ceiling Allocation Plan

AUTHORITY ACTION REQUESTED:

1. Find the enactment of Senate Bill 739 creates exceptional and compelling circumstances warranting amendment of the 2023 State Ceiling Allocation Plan.
2. Approve the proposed Amendment to the 2023 State Ceiling Allocation Plan.

ATTACHMENTS:

1. Proposed Amendment to the 2023 State Ceiling Allocation Plan
2. Letter from Ellen Eudy dated June 12, 2023
3. Senate Bill 739
4. JBRC Comments dated June 20, 2023

2023 South Carolina State Ceiling Allocation Plan – Amendment #1 – June 28, 2023

SECTION F. ALLOCATION PERIODS

Pursuant to Section 1-11-520(B), the State Authority hereby provides for two (2) allocation periods and hereby designates February 1 and August 1 as allocation dates, on which 50% of the state ceiling assigned to each category is made available for subsequent allocation to authorized requests.

Authorized requests for an allocation of state ceiling, as well as requests for issuance approval for projects using carryforward from prior years will be made only at the regularly scheduled meeting of the State Authority immediately following February 1 and October 1.



South Carolina State Housing Finance and Development Authority

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MEMORANDUM

**To: Grant Gillespie
Executive Director, SC State Fiscal Accountability Authority**

**From: Ellen Eudy
Deputy Director, Financial Operations
State Housing Finance & Development Authority**

Re: Request for Amendment to Ceiling Allocation Plan for Calendar Year 2023

Date: June 12, 2023

The purpose of this Memorandum is to provide support for SC Housing's request that the State Fiscal Accountability Authority ("State Authority") amend the State Ceiling Allocation Plan for Calendar Year 2023. The currently published State Ceiling Allocation Plan, which assigns percentages of the state ceiling to categories of any of the permitted purposes prescribed by the Internal Revenue Code, is subject to review and comment by the Joint Bond Review Committee ("Committee"). The State Authority adopted a State Ceiling Allocation Plan in August 2022 for calendar year 2023, which is statutorily prescribed under Act 202 of 2022.

As initially adopted, the plan required authorized requests for allocations of state ceiling to be made at the State Authority's regularly scheduled meetings of March 28 and August 29 of 2023. Joint Resolution S.739, as enacted on May 19, 2023, requires among other things, that the State Housing Finance and Development Authority provide no later than June 30, 2023, a plan for allocation of South Carolina Housing Tax Credits and non-recurring funding as supplemental financial support to certain multifamily housing projects. Projects qualified to receive supplemental financial support may also qualify for an additional allocation of state ceiling.

State Housing cannot determine which, if any, projects will qualify for additional allocations of state ceiling until the report due on June 30 receives review and comment by the Committee, likely at its August 2023 meeting. The Housing Authority requests that the State Authority delay consideration of any requests for additional state ceiling until its October meeting, and thereby seeks an amendment to the State Ceiling Allocation Plan.

South Carolina General Assembly
125th Session, 2023-2024

R76, S739

STATUS INFORMATION

Joint Resolution

Sponsors: Senators Setzler, Alexander, Peeler, Williams, Davis, Talley and Malloy

Document Path: SF-0023CH23.docx

Introduced in the Senate on April 18, 2023

Introduced in the House on May 4, 2023

Last Amended on May 3, 2023

Currently residing in the Senate

Summary: SC Housing Tax Credit

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
4/18/2023	Senate	Introduced and read first time (Senate Journal-page 4)
4/18/2023	Senate	Referred to Committee on Finance (Senate Journal-page 4)
4/26/2023	Senate	Committee report: Favorable with amendment Finance (Senate Journal-page 7)
4/27/2023		Scrivener's error corrected
5/2/2023	Senate	Read second time (Senate Journal-page 24)
5/3/2023	Senate	Committee Amendment Adopted (Senate Journal-page 21)
5/3/2023	Senate	Read third time and sent to House (Senate Journal-page 21)
5/4/2023	Senate	Roll call Ayes-43 Nays-0 (Senate Journal-page 21)
5/4/2023	House	Introduced and read first time (House Journal-page 17)
5/4/2023	House	Referred to Committee on Ways and Means (House Journal-page 17)
5/9/2023	House	Committee report: Favorable Ways and Means (House Journal-page 3)
5/10/2023	House	Read second time (House Journal-page 89)
5/10/2023	House	Roll call Yeas-82 Nays-25 (House Journal-page 91)
5/11/2023	House	Read third time and enrolled (House Journal-page 15)
5/17/2023		Ratified R 76
5/19/2023		Signed By Governor
5/26/2023		Effective date 05/19/23

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VERSIONS OF THIS BILL

[04/18/2023](#)

[04/26/2023](#)

[04/27/2023](#)

05/03/2023

05/09/2023

NOTE: THIS IS A TEMPORARY VERSION. THIS DOCUMENT WILL REMAIN IN THIS VERSION UNTIL FINAL APPROVAL BY THE LEGISLATIVE COUNCIL.

(R76, S739)

A JOINT RESOLUTION PROVIDING FOR A ONE-TIME AUTHORIZATION FOR USE OF CERTAIN REMAINING SOUTH CAROLINA HOUSING TAX CREDITS PROVIDED PURSUANT TO SECTION 1.B.1 OF ACT 202 OF 2022, CERTAIN REMAINING SOUTH CAROLINA HOUSING TAX CREDITS AUTHORIZED PURSUANT TO SECTION 12-6-3795 FOR THE TAX YEAR ENDING DECEMBER 31, 2023, CERTAIN FEDERAL LOW-INCOME HOUSING CREDITS, AND NOT EXCEEDING \$25 MILLION IN ONE-TIME, NONRECURRING FUNDING FROM THE SOUTH CAROLINA HOUSING TRUST FUND ESTABLISHED PURSUANT TO ARTICLE 4 OF CHAPTER 13, TITLE 31 OF THE SOUTH CAROLINA CODE, ALL FOR THE LIMITED PURPOSE OF PROVIDING SUPPLEMENTAL FINANCIAL SUPPORT TO ADDRESS ESCALATIONS AND OTHER COSTS FOR CERTAIN MULTIFAMILY HOUSING DEVELOPMENTS.

Whereas, Act 137 of 2020 amended the South Carolina Code to enact the “Workforce and Senior Affordable Housing Act” by adding Section 12-6-3795 so as to allow a taxpayer eligible for the Federal Housing Tax Credit to claim a South Carolina Housing Tax Credit; and

Whereas, following the enactment of Act 137 of 2020 and through December 31, 2021, preliminary determinations of eligibility for the South Carolina Housing Tax Credit totaled approximately \$100 million annually and approximately \$1 billion for the ten-year term of the South Carolina Housing Tax Credit, far exceeding the estimated fiscal impact on the general fund at the time of enactment of approximately \$2.1 million annually and \$20.6 million for the ten-year term of the South Carolina Housing Tax Credit; and

Whereas, following study and a determination that the actual fiscal impact of the South Carolina Housing Tax Credit on the general fund was not sustainable, Act 202 of 2022 amended Section 12-6-3795 to, among other things, limit the South Carolina Housing Tax Credit; and

Whereas, Section 1.B.1 of Act 202 of 2022 provided for a one-time authorization of South Carolina Housing Tax Credits in an amount necessary but not exceeding \$100 million dollars to ratify amounts reflected in preliminary determination statements for qualified projects approved before December 31, 2021, with any allocations of South Carolina Housing Tax Credits made pursuant to this provision subject to the review and comment of the Joint Bond Review Committee; and

Whereas, in accordance with Section 1.B.1 of Act 202, the South Carolina State Housing Finance and Development Authority provided a report to, among others, the Joint Bond Review Committee identifying all qualified projects to which the \$100 million one-time authorization provided in Section 1.B.1 of Act 202 of 2022 was proposed to apply; and

Whereas, on August 23, 2022, the Joint Bond Review Committee determined that the amount of South Carolina Housing Tax Credits applicable to projects qualified for the one-time authorization provided pursuant to Section 1.B.1 of Act 202 of 2022 was \$87,110,848; and

Whereas, it has been asserted that escalations in costs of construction and materials, increases in interest rates, and other factors have negatively impacted the financial feasibility of certain projects to the extent that such projects face a threat that they cannot be completed in the absence

of supplemental funding; and

Whereas, there remains available \$12,889,152 in South Carolina Housing Tax Credits pursuant to the one-time authorization provided in Section 1.B.1 of Act 202 of 2022; and

Whereas, there remains available for the tax year ending December 31, 2023, a total of \$16,916,877 in South Carolina Housing Tax Credits, comprised of the amounts of \$6,726,825 and \$10,190,052 for allocation pursuant to Section 12-6-3795 to qualified projects utilizing the federal four percent tax credit and the federal nine percent tax credit, respectively; and

Whereas, there is available no less than \$25 million in undesignated funding held in the South Carolina Housing Trust Fund established pursuant to Article 4, Chapter 13, Title 31 of the South Carolina Code. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

South Carolina Housing Tax Credits

SECTION 1. The General Assembly hereby provides a one-time authorization of South Carolina Housing Tax Credits pursuant to and for the purposes described in this joint resolution in an amount necessary but not exceeding \$29,806,029, comprised of \$12,889,152 remaining available from the one-time authorization of South Carolina Housing Tax Credits provided in Section 1.B.1 of Act 202 of 2022, and a total of \$16,916,877 remaining available for allocations for the tax year ending

December 31, 2023, pursuant to Section 12-6-3795. In addition to the foregoing, the General Assembly hereby authorizes pursuant to and for the purposes described in this joint resolution an amount necessary but not exceeding \$25,000,000 from the undesignated balance held in the South Carolina Housing Trust Fund established pursuant to Article 4, Chapter 13, Title 31 of the South Carolina Code, as nonrecurring, one-time funding, and not as South Carolina Housing Tax Credits. No later than June 30, 2023, the State Housing Finance and Development Authority must develop a plan to allocate the South Carolina Housing Tax Credits and nonrecurring, one-time funding made available pursuant to this joint resolution as supplemental financial support to certain multifamily housing projects that had by March 31, 2023, received a tentative allocation of South Carolina Housing Tax Credits pursuant to Act 202 of 2022. The plan, and any project allocations proposed thereunder, must be submitted to the Joint Bond Review Committee for review and comment prior to awarding any South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution.

Allocation Plan

SECTION 2. The plan must be provided in such form and substance as the Joint Bond Review Committee may prescribe, and must include for each project, the project name and location; the amount of any South Carolina Housing Tax Credits, state ceiling, or both, previously allocated to the project; project ownership; the total number of units assisted; any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding proposed to be made available to the project pursuant to this joint resolution; and any supplemental amount of state ceiling, if

any, proposed for allocation to the project. The plan must further include for each project a disclosure of every affiliate or other related legal entity having a direct or beneficial interest in the development of the project.

Supplemental Financial Support

SECTION 3. Any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution must be limited to the amount necessary to provide supplemental financial support to projects that (1) are under construction; and (2) have demonstrated independently verified costs exceeding original estimates as a consequence of escalations in costs of construction and materials, increases in interest rates, and such other extenuating factors as may be recommended by the State Housing Finance and Development Authority, subject to the review and comment of the Joint Bond Review Committee; provided, however, that no single project may receive an allocation of more than the lesser of (1) the actual amount of South Carolina Housing Tax Credits and nonrecurring, one-time funding made available pursuant to this joint resolution necessary to achieve financial feasibility of the project based on the independently verified costs exceeding the original estimate for the project; or (2) twenty percent of the South Carolina Housing Tax Credit reflected on the eligibility statement, as defined in Section 12-6-3795(A)(1), previously furnished for the project by the State Housing Finance and Development Authority; further provided, however, that the State Housing Finance and Development Authority may recommend, subject to the review of the Joint Bond Review Committee, a de minimus adjustment not exceeding five percent beyond the limitations of this SECTION to promote financial feasibility of the project in marginal

circumstances. Project sponsors must have requested consideration of and provided justification for any costs in excess of original estimates to the State Housing Finance and Development Authority no later than March 31, 2023.

Allocation Plan

SECTION 4. The plan must conform with such provisions of the Qualified Allocation Plan and the State Ceiling Allocation Plan as the State Housing Finance and Development Authority may recommend to be applicable to any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution; provided, however, that priority must be given to projects with highest rates of completion and earliest dates that the projects are expected to be placed in service.

South Carolina Housing Tax Credits

SECTION 5. Nothing in this joint resolution grants any rights to, or in the processes used in, the determination of any South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution.

Agreement

SECTION 6. The State Housing Finance and Development Authority may require, as a condition of any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to the plan required by SECTION 1 and this joint resolution, an

agreement from the project sponsor that the South Carolina Housing Tax Credits and any nonrecurring, one-time funding allocated to the project are deemed final, without recourse.

Carry Forward

SECTION 7. Any unallocated South Carolina Housing Tax Credits and nonrecurring, one-time funding made available pursuant to this joint resolution may be carried forward for allocation beyond the current tax year ending December 31, 2023, provided the unallocated South Carolina Housing Tax Credits and nonrecurring, one-time funding are limited to the purposes and subject to the provisions of this joint resolution.

Suspension

SECTION 8. The allocation requirements of Section 12-6-3795(B)(5)(c) are suspended for the tax year ending December 31, 2023.

Suspension

SECTION 9. The provisions of Article 4, Chapter 13, Title 31 of the South Carolina Code are suspended in the amount of \$25 million for the tax year ending December 31, 2023, and beyond December 31, 2023, but only to the extent of any amounts carried forward pursuant to SECTION 7 of this joint resolution.

Supplemental Financial Support

SECTION 10. In addition to the other amounts made available by this joint resolution, the General Assembly hereby authorizes the State Housing Finance and Development Authority to allocate an amount necessary but not exceeding fifty percent of the federal low-income housing tax credit allocated to this State for the tax year ending December 31, 2023, as supplemental financial support to certain multifamily housing projects utilizing federal nine percent tax credits as defined in Section 12-6-3795(A)(7) that had by March 31, 2023, requested consideration of and provided justification for any costs in excess of original estimates to the State Housing Finance and Development Authority. Any allocations of federal tax credits made pursuant to this SECTION must be included and coordinated within the plan required pursuant to SECTION 1, and are subject to, without limitation, the same requirements, determinations, limitations, and other provisions as are applicable to the State Housing Tax Credits included in SECTIONS 1 through 7 of this joint resolution.

Time effective

SECTION 11. This joint resolution takes effect upon approval by the Governor.

Ratified the 17th day of May, 2023.

Approved the 19th day of May, 2023. -- T.
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Capital Improvements Joint Bond Review Committee

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June 20, 2023

Mr. Grant Gillespie
Executive Director
State Fiscal Accountability Authority
Post Office Box 12444
Columbia, South Carolina 29211

Re: Proposed Amendment to Ceiling Allocation Plan for Calendar Year 2023

Dear Mr. Gillespie:

At its meeting today, the Joint Bond Review Committee reviewed and recommended adoption of a proposed amendment to the State Ceiling Allocation Plan for Calendar Year 2023 that, if adopted by the State Fiscal Accountability Authority, will revise the date that any requests for allocations of state ceiling will be considered by the State Authority from its regularly scheduled meeting immediately following August 1, 2023, to its regularly scheduled meeting immediately following October 1, 2023.

The proposed amendment follows enactment of Joint Resolution S.739 on May 19, 2023, which requires among other things that the South Carolina State Housing Finance and Development Authority provide no later than June 30, 2023, a plan for allocation of South Carolina Housing Tax Credits and non-recurring funding as supplemental financial support to certain multifamily housing projects, which plan is subject to review and comment by the Committee. Projects qualified to receive supplemental financial support may also qualify for an additional allocation of state ceiling.

The State Housing Authority has advised that it cannot determine which, if any, projects will qualify for additional allocations of state ceiling until the report due on June 30, 2023, receives review and comment by the Committee, which is not likely to occur prior to the Committee's next meeting tentatively scheduled for August 22, 2023. Accordingly, the State Housing Authority has requested that the State Authority delay consideration of any requests for state ceiling until its October meeting. The proposed amendment is responsive to this request, and follows careful consideration and consultation with the State Authority's members and other interested parties.

**Capital Improvements
Joint Bond Review Committee**

Mr. Grant Gillespie
State Fiscal Accountability Authority
June 20, 2023
Page 2

We greatly appreciate the expertise, diligence, and cooperation of the State Authority staff in the development of these and other policies and refinements that continue to attend administration of this complex program.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'F. Harmon', is positioned above the printed name.

F. Richard Harmon, Jr.
Director of Research

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF June 28, 2023

ITEM NUMBER 10

AGENCY: State Fiscal Accountability Authority

SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 10:00 a.m. on Tuesday, August 29, 2023, in Room 252, Edgar A. Brown Building.

AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, August 29, 2023, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: