
AGENCY: South Carolina Department of Commerce and its Division of Public Railways

SUBJECT: Camp Hall Rail Line

On December 12, 2017, the Division of Public Railways of the South Carolina Department of Commerce (“Palmetto Railways”) received the requisite approvals from the State Fiscal Accountability Authority for the Camp Hall Project, a rail corridor from the Camp Hall Commerce Park in Berkeley County northward and eastward to a connection with the CSX rail network near the Santee Cooper Cross Generating Station in Pineville, South Carolina. The approval specifically clarified that “any financing of such extension will require subsequent approval pursuant to Sections 13-1-1350 and 13-1-1460.” Palmetto Railways has now determined that additional funding in the amount of \$10,000,000 is required for the completion of the Camp Hall Project.

Palmetto Railways, pursuant to the provisions of Title 13, Chapter 1, Article 9 of the Code of Laws of South Carolina, 1976, desires to borrow an amount not to exceed \$10,000,000 to be evidenced by a revenue note structured as a bank loan, to be repaid from the revenues of Palmetto Railways.

AUTHORITY ACTION REQUESTED:

Adopt the resolution approving the borrowing of \$10,000,000 to be evidenced by a revenue note structured as a bank loan, to be repaid from the revenue of Palmetto Railways pursuant to those terms and conditions outlined in the Petition of the Division of Public Railways of the South Carolina Department of Commerce.

ATTACHMENTS:

1. September 25, 2025 Letter from Department of Commerce
2. Petition dated September 22, 2025
3. SFAA Resolution
4. September 26, 2025 Letter from Samuel W. Howell



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

September 26, 2025

Mr. Delbert Singleton
State Fiscal Accountability Authority
1200 Senate Street
Columbia, SC 29201

Dear Delbert:

The purpose of this letter is to notify you of the intention of the South Carolina Department of Commerce ("S.C. Commerce") and its Division of Public Railways ("Palmetto Railways") to seek approval by the State Fiscal Accountability Authority (SFAA) for approval to enter into a debt transaction secured solely by the revenues of Palmetto Railways, which does not receive state appropriations and relies solely on revenues generated by rail services provided to private customers for funding of its operations. For the reasons stated herein, Palmetto Railways is seeking approval of a private bank loan in the amount of \$10 million (excluding costs of issuance, which will be paid by other funds of Palmetto Railways) to finance rail trackage needed for the Camp Hall Rail Line in Berkeley County. Palmetto Railways hopes to receive the financing during Q1 2026.

BACKGROUND

Palmetto Railways sought and received approval by SFAA in late 2017 to extend its operations pursuant to Section 13-1-1350 of the Code of Laws of South Carolina 1976, as amended (the "Code") through the planned construction of the Camp Hall Rail Line,¹ an approximate 22-mile industrial rail corridor to serve the Camp Hall Commerce Park in Berkeley County (the "Project").² At the time of approval, Palmetto Railways did not anticipate borrowing funds for the Project but notified SFAA that it may subsequently seek approval of a revenue bond and/or other financing to offset a portion of Project costs should that become necessary.

S.C. Commerce committed to the Project in 2015 in connection with the location of Volvo Cars' first North America Manufacturing facility before the exact route or costs were determined. The rail line, which is under construction, will connect the Camp Hall Commerce Park, the Volvo Cars manufacturing facility, and Redwood Materials facility to the CSX Transportation mainline located near the Santee Cooper Cross Generating Station.³ The Project is estimated to cost \$200 million and is being funded from a variety of sources, including Palmetto

¹ The 2017 approval was based on certification by Palmetto Railways director of determinations and findings as required by Section 13-1-1390 of the Code.

² The Joint Bond Review Committee approved a Permanent Improvement Project (PIP) in connection with the extension of operations, and SFAA approved granting easements over state-owned property necessary to establish the new rail line.

³ In a separate agenda item, Palmetto Railways, the owner of Redwood Materials' manufacturing site, is also seeking approval to grant a water and sewer easement to Berkeley County Water and Sanitation to enable the opening of the first Redwood Materials building constructed on the state-owned site.

Railways revenues and cash reserves, a federal grant, contributions from Volvo Cars and CSX, Volvo Cars incentive funds, and LocateSC site development funds. Palmetto Railways has invested nearly \$50 million of its own funds in the Project and needs to preserve its remaining cash reserves for other rail-related purposes.⁴ If approved, the requested financing, which will be in the form of a revenue note structured as a bank loan, will fill the gap in funding needed to complete the Project.

AUTHORITY TO UNDERTAKE THE LOAN WITH SFAA APPROVAL

Pursuant to Section 13-1-1330(7) of the Code, upon approval of SFAA, Palmetto Railways is authorized and empowered “to issue revenue bonds, including notes, bonds, refunding bonds and other obligations . . . to defray the cost of acquisition, by purchase, construction or condemnation, of connecting, switching, terminal or other railroads, and necessary equipment, payable both as to principal and interest from the revenues to be derived from the operation of such railroads; provided that all revenue bonds [or notes] issued by [Palmetto Railways] shall be issued in accordance with the provisions of Sections 13-1-1350 through 13-1-1460” and shall be limited obligations of Palmetto Railways pursuant to Section 13-1-1360 and payable solely out of revenues generated by Palmetto Railways without imposing any pecuniary liability on Palmetto Railways, S.C. Commerce, the State of South Carolina, or any political subdivision. Section 13-1-1390 of the Code further requires and authorizes Palmetto Railways’ director to make certain findings and certify those findings to SFAA related to the acquisition of any railroads or necessary equipment prior to the issuance of any revenue financing needed to effect that acquisition.

PROPOSED FINANCING TERMS

Palmetto Railways has received competitive proposals from two private financial institutions and has selected the proposal that Palmetto Railways has determined is most competitive and responsive to Palmetto Railways’ needs. (See **Exhibit A** to the Petition submitted pursuant to Section 13-1-1460 of the Code and included as part of Palmetto’s submission package for this request.) The proposed financing will be subject to the terms of a final Loan Agreement, which shall be a limited obligation of Palmetto Railways in compliance with Section 13-1-1360 of the Code.

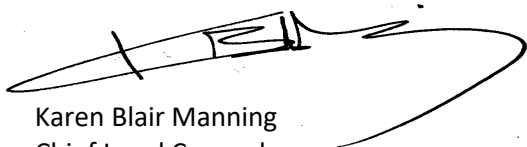
REQUEST FOR APPROVAL

As more fully described above, and in connection with the previously approved extension of operations under Section 13-1-1350 of the Code, the Department of Commerce and Palmetto Railways respectfully request that SFAA take the following action:

⁴ As an enterprise agency, Palmetto Railways does not receive state appropriations. Until recently, Palmetto Railways had expected the remaining \$10 million needed for the Project to be available from another source, which we now know is not a viable option.

- Adopt the resolution approving the borrowing of \$10,000,000 to be evidenced by a revenue note structured as a bank loan, to be repaid from the revenues of Palmetto Railways pursuant to those terms and conditions outlined in the Petition of the Division of Public Railways of the South Carolina Department of Commerce.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Manning', with a long, sweeping horizontal line extending to the right.

Karen Blair Manning
Chief Legal Counsel

PETITION
TO THE STATE FISCAL ACCOUNTABILITY
AUTHORITY OF SOUTH CAROLINA

This Petition of the Division of Public Railways of the South Carolina Department of Commerce, is submitted pursuant to Section 13-1-1460 of the Code of Laws of South Carolina 1976, as amended, and respectfully shows:

1. The Division of Public Railways ("Palmetto Railways") of the South Carolina Department of Commerce (the "Department"), is authorized and empowered under and pursuant to the provisions of Title 13, Chapter 1, Article 9 of the Code of Laws of South Carolina 1976, as amended (the "Act"), to acquire, construct, maintain, equip and operate connecting, switching, terminal or other railroads, and, accordingly, Palmetto Railways owns, maintains, and operates a system of railroads deemed by it to be desirable in the public interest to promote and foster economic growth and development of the State of South Carolina (the "State").

2. As required by Section 13-1-1350 of the Act, by petition dated November 2, 2017, as amended by correspondence dated November 20, 2017 and December 4, 2017, Palmetto Railways has previously sought and received the approval of the State Fiscal Accountability Authority (the "State Board") required with regard to the acquisition, by purchase, construction, condemnation or donation, and operation of additional connecting, switching, terminal or other railroads related to, and has commenced the construction of, a 22.7 mile freight rail line and related facilities, consisting of a rail corridor from the Camp Hall Commerce Park in Berkeley County, South Carolina northward and eastward to a connection with the CSX rail network near the Santee Cooper Cross Generating Station in Pineville, South Carolina, at a total cost of approximately \$208,570,000 (the "Camp Hall Project"). The costs of the Camp Hall Project are being paid from multiple sources of funding, including multiple grants totaling \$134,350,000, \$47,993,000 of cash from Palmetto Railways, and private sources of funding from CSX Railroad and Volvo Car manufacturing totaling \$16,227,000. At this time, additional funding in the amount of \$10,000,000 is required for completion of the Camp Hall Project.

3. At the time of approval of the Camp Hall Project by the State Board, although it appeared that no borrowing by Palmetto Railways would be required to fund the project it was anticipated that Palmetto Railways may subsequently seek approval of a revenue bond and/or other financing for the Camp Hall Project, should such borrowing subsequently become necessary to fund a portion of the project costs.

4. As the remaining component of the funding for the Camp Hall Project, Palmetto Railways now proposes to borrow the amount of not to exceed \$10,000,000 to be evidenced by a revenue note (the "Note") structured as a bank loan, to be repaid from revenues of Palmetto Railways.

5. Pursuant to Section 13-1-1330(7) of the Act, upon approval of the State Board, Palmetto Railways is authorized and empowered to provide for the issuance of revenue bonds, including notes, bonds, refunding bonds, and other obligations, to defray the cost of acquisition, by purchase, construction or condemnation, of connecting, switching, terminal or other railroads, and necessary equipment, payable both as to principal and interest from the revenues to be

derived from the operation of such railroads; provided, that all revenue bonds issued by Palmetto Railways shall be issued in accordance with the provisions of Sections 13-1-1350 through 13-1-1460 of the Act.

6. Pursuant to Section 13-1-1360 of the Act, the Note will be a limited obligation of Palmetto Railways, the principal of and interest on which shall be payable solely out of the revenues derived from the operation of the railroads authorized by the Act. The Note and interest thereon shall not constitute an indebtedness of Palmetto Railways, the Department, the State of South Carolina, or any political subdivision thereof, within the meaning of any State constitutional provision or statutory limitation and shall not constitute nor give rise to a pecuniary liability of the same or a charge against the general credit of Palmetto Railways or the Department or against the full faith, credit or taxing power of the State of South Carolina, or any political subdivision thereof, and such fact shall be plainly stated on such Note.

7. Palmetto Railways has requested proposals from commercial banks to provide financing of the Note, and has received two proposals, which Palmetto Railways has determined to be competitive and responsive to Palmetto Railways' needs. The President and Chief Executive Officer of Palmetto Railways, as director, has determined that the proposal of First Horizon Bank (the "Lender") (a copy of which is attached hereto as Exhibit A) is most advantageous to the Division and Palmetto Railways.

8. With the approval of the State Board, Palmetto Railways has determined to issue the Note in accordance with the terms set forth in the Term Sheet, and pursuant to a Loan Agreement (the "Loan Agreement") between Palmetto Railways and the Lender and other documentation to be prepared by counsel.

9. Pursuant to the requirements of Section 13-1-1390 relating to the acquisition of additional connecting, switching, terminal or other railroads, and as set forth in that certain Certificate of the Director of the South Carolina Division of Public Railways d/b/a Palmetto Railways, a Division of the South Carolina Department of Commerce, dated November 2, 2017, attached hereto as Exhibit B, the Director of Palmetto Railways has previously found and determined that:

(a) The acquisition of right of way for the purpose of establishing a rail line of approximate length of 22 miles between the unincorporated community of Cross and the Camp Hall Commerce Park in Berkeley County and the construction of the rail line by Palmetto Railways and the extension of Palmetto Railways' operations thereby are desirable in the public interest to promote and foster economic growth and development;

(b) Such acquisition and construction for the purpose of extending Palmetto Railways' operations do not involve the extension of mainline trackage;

(c) The acquisition of right of way, estimated not to exceed \$5.5 million, and the construction of the Camp Hall Project, will give rise to no pecuniary liability of Palmetto Railways or a charge against its general credit or a charge against the full faith and credit or taxing power of the State of South Carolina or any political subdivision thereof;

(d) Palmetto Railways has funds available for the acquisition of right of way required to commence the Camp Hall Project and does not intend to issue revenue bonds to finance such acquisition;

(e) To the extent that Palmetto Railways determines at any time that the issuance of revenue bonds or other financing is necessary and in the public interest to offset costs of the Camp Hall Project's construction, such financing shall be subject to requisite approvals and all requirements related to financing and record-keeping associated with the extension of operation set forth in Section 13-1-1310, et seq.; and

(f) The estimated cost of maintaining the Camp Hall Project, once constructed, is estimated not to exceed \$200,000 annually, such costs to be paid from revenues earned by Palmetto Railways from the Camp Hall Project and/or shall be absorbed as general operating costs of Palmetto Railways.

10. Pursuant to the further requirements of Section 13-1-1390 related to the issuance of revenue bonds, including notes, bonds, refunding bonds, and other obligations, and as set forth in that certain Certificate of the Director of the South Carolina Division of Public Railways d/b/a Palmetto Railways, a Division of the South Carolina Department of Commerce, dated September 22, 2025, attached hereto as Exhibit C, the Director of Palmetto Railways now finds and determines that:

(a) In order to secure adequate funding for completion of the Camp Hall Project, it is necessary for Palmetto Railways to borrow a portion of the necessary funds;

(b) The amount of the Note required to finance the completion of the acquisition of the railroad and necessary equipment for the Camp Hall Project is not to exceed \$10,000,000;

(c) The estimated amount necessary in each year to pay the principal and interest on the Note proposed to be issued is set forth in Exhibit D attached hereto;

(d) It is not anticipated that the establishment of a reserve fund will be necessary in connection with the retirement of the proposed Note.

(e) The Note and interest thereon shall not constitute an indebtedness of Palmetto Railways, the Department, the State of South Carolina, or any political subdivision thereof, within the meaning of any State constitutional provision or statutory limitation and shall not constitute nor give rise to a pecuniary liability of the same or a charge against the general credit of Palmetto Railways or the Department or against the full faith, credit or taxing power of the State of South Carolina, or any political subdivision thereof, and such fact shall be plainly stated on the Note.

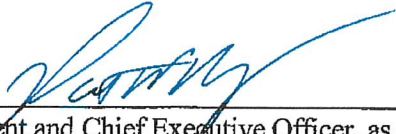
Upon the basis of the foregoing, Palmetto Railways respectfully prays:

That the State Board (i) accept the filing of this Petition; (ii) undertake such review as it considers advisable; (iii) thereafter, make a finding that the undertaking of Palmetto Railways to issue the Note and to defray a portion of the cost of the Camp Hall Project as described herein is intended to promote the purposes of the Act and that it is reasonably anticipated to effect such results; (iv) on the basis of such finding, approve the issuance of the Note, including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of Palmetto Railways; and (v) give published notice of its approval in the manner set forth in Section 13-1-1460 of the Act.

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Respectfully submitted,

DIVISION OF PUBLIC RAILWAYS, SOUTH
CAROLINA DEPARTMENT OF COMMERCE

By: 
President and Chief Executive Officer, as director

Dated: September 22 2025

Exhibit A

Term Sheet of the Lender



First Horizon Bank
28 Bridgeside Blvd
Mt. Pleasant, SC 29464

Palmetto Railways
PROPOSED SUMMARY OF TERMS & CONDITIONS
September 11, 2025

This term sheet is presented for discussion purposes only. It is not intended to constitute a definitive commitment of First Horizon Bank (the "Bank") or an exhaustive statement of all terms and conditions which may ultimately be included in loan documentation between the potential loan borrower ("Borrower") and the Bank.

Borrower:	South Carolina Department of Commerce – Division of Public Railways d/b/a Palmetto Railways
Credit Facility:	\$10,000,000
Purpose:	To fund the completion of the Camp Hall railway project
Term:	Up to 10 years
Interest Rate:	10-year treasury + 195 bps to be fixed at time of closing Indicative rate as of 9/11/25 is ~5.98%
Repayment:	Up to 24 months of interest only payments, followed by 96 months of principal and interest payments based on a 20 year amortization schedule
Security:	Unsecured
Origination Fee:	1.0%
Prepayment Penalty:	None
Covenants:	Borrower shall maintain an adjusted fixed charge coverage ratio of at least 1.25:1.00, to be tested annually beginning 12/31/2027
Financial Reporting Requirements:	Borrower shall provide Bank: • Annual CPA Audited statements • Annual Budget • Semi-annual internally prepared financial statements
Additional Requirements:	Approval subject to the following requirements: • Full underwriting and credit approval • Legal due diligence satisfactory to Bank • Loan to be a general obligation of Palmetto Railways to include a negative pledge on unencumbered assets and revenue streams. No additional liens to be granted without Bank consent.

This Term Sheet is for your information exclusively and, as such, is considered strictly Confidential. Except for disclosure as necessary to your professional advisors retained by you in connection with this transaction, and/or as may be required by law, the terms hereof may not be distributed, assigned, or discussed without prior written permission of the Bank.

All expenses incurred by or on behalf of the Lender (including reasonable attorney fees, filing and recording fees, consulting fees, environmental audit expenses, appraisal costs, title insurance premium, title examination fees, inspections, other consulting fees, etc.) in connection with its analyzing, structuring, negotiating, documenting and closing of the Loans, and therefore, will be paid or reimbursed by the Borrower at the Closing. If the Credit Facility does not close for any reason, Borrower will reimburse Lender for all such expenses upon demand by Lender.

This correspondence does not purport to include all of the essential terms of any loan that the Bank might extend to the Borrower, nor does it purport to include all of the conditions, covenants, representations, warranties, defaults, definitions and other terms which would or could be contained in any definitive loan documents, all of which must be satisfactory in form and substance to the Bank and its legal counsel.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Preston Bankson', followed by a long horizontal flourish.

Preston Bankson
First Horizon Bank

Exhibit B

**Certificate of the Director of the South Carolina Division of Public Railways
Dated November 2, 2017**

**CERTIFICATE OF THE DIRECTOR
OF
THE SOUTH CAROLINA DIVISION OF PUBLIC RAILWAYS D/B/A PALMETTO RAILWAYS,
A DIVISION OF THE SOUTH CAROLINA DEPARTMENT OF COMMERCE**

I, the undersigned, Jeffrey M. McWhorter, do hereby certify as follows:

I am, as of this date, the duly qualified and acting sole Director and President of the South Carolina Division of Public Railways d/b/a Palmetto Railways ("*Palmetto*"), a division of the South Carolina Department of Commerce. I am authorized to execute this certificate on behalf of Palmetto, and I am knowledgeable with respect to the matters set forth herein.

Pursuant to the authority and requirements of Sections 13-1-1330(2), 13-1-1330(4), 13-1-1330(8), 13-1-1350, and 13-1-1390 of the Code of Laws of South Carolina, 1976, as amended, I hereby find and certify as follows:

1. The acquisition of right of way for the purpose of establishing a rail line of approximate length of 22 miles between the unincorporated community of Cross and the Camp Hall Commerce Park in Berkeley County and the construction of the rail line (the "*Project*") by Palmetto and the extension of Palmetto's operations thereby are desirable in the public interest to promote and foster economic growth and development.
2. Such acquisition and construction for the purpose of extending Palmetto's operations do not involve the extension of mainline trackage.
3. The acquisition of right of way, estimated not to exceed \$5.5 million, and the construction of the Project, will give rise to no pecuniary liability of Palmetto or a charge against its general credit or a charge against the full faith and credit or taxing power of the State of South Carolina or any political subdivision thereof.
4. Palmetto has funds available for the acquisition of right of way required to commence the Project and does not intend to issue revenue bonds to finance such acquisition.
5. To the extent that Palmetto determines at any time that the issuance of revenue bonds or other financing is necessary and in the public interest to offset costs of the Project's construction, such financing shall be subject to requisite approvals and all requirements related to financing and record-keeping associated with the extension of operations set forth in Section 13-1-1310, et seq.
6. The estimated cost of maintaining the Project, once constructed, is estimated not to exceed \$200,000 annually, such costs to be paid from revenues earned by Palmetto from the Project and/or shall be absorbed as general operating costs of Palmetto.

IN WITNESS WHEREOF, I have set my hand 2nd day of November, 2017.

SOUTH CAROLINA DIVISION OF PUBLIC RAILWAYS
D/B/A PALMETTO RAILWAYS, A DIVISION OF THE
SOUTH CAROLINA DEPARTMENT OF COMMERCE

By: _____

Jeffrey M. McWhorter, Director and President

 *STERI COOPER FOR Jeffrey McWhorter*

Exhibit C

**Certificate of the Director of the South Carolina Division of Public Railways
Dated September 22, 2025**

**CERTIFICATE OF THE DIRECTOR
OF
THE SOUTH CAROLINA DIVISION OF PUBLIC RAILWAYS D/B/A PALMETTO
RAILWAYS, A DIVISION OF THE SOUTH CAROLINA DEPARTMENT OF
COMMERCE**

I, the undersigned Patrick McCrory, do hereby certify as follows:

I am, as of this date, the duly qualified and acting President and Chief Executive Officer of the South Carolina Division of Public Railways d/b/a Palmetto Railways ("Palmetto Railways"), a division of the South Carolina Department of Commerce, and serving as its Director. I am authorized to execute this certificate on behalf of Palmetto Railways, and I am knowledgeable with respect to the matters set forth herein.

Pursuant to the authority and requirements of Sections 13-0-1330(7), 13-1-1330(8), and 13-1-1390 of the Code of Laws of South Carolina 1976, as amended, I hereby find and certify as follows:

(a) In order to secure adequate funding for completion of the Camp Hall Project previously approved by the State Fiscal Accountability Authority, it is necessary for Palmetto Railways to borrow a portion of the necessary funds to pay project costs;

(b) The amount of the Note required to finance the completion the acquisition of the railroad and necessary equipment for the Camp Hall Project is not to exceed \$10,000,000;

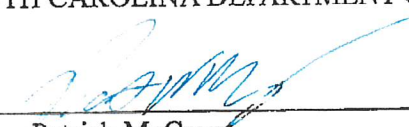
(c) The estimated amount necessary in each year to pay the principal and interest on the Note proposed to be issued is set forth in the Exhibit attached hereto;

(d) It is not anticipated that the establishment of a reserve fund will be necessary in connection with the retirement of the proposed Note.

(e) The Note and interest thereon shall not constitute an indebtedness of Palmetto Railways, the Department, the State of South Carolina, or any political subdivision thereof, within the meaning of any State constitutional provision or statutory limitation and shall not constitute nor give rise to a pecuniary liability of the same or a charge against the general credit of Palmetto Railways or the Department or against the full faith, credit or taxing power of the State of South Carolina, or any political subdivision thereof, and such fact shall be plainly stated on the Note.

IN WITNESS WHEREOF, I have set my hand 22nd day of September, 2025.

SOUTH CAROLINA DIVISION OF PUBLIC RAILWAYS
D/B/A PALMETTO RAILWAYS, A DIVISION OF THE
SOUTH CAROLINA DEPARTMENT OF COMMERCE

By: 

Patrick McCrory

President and Chief Executive Officer, as Director

Exhibit D

Preliminary/Estimated Amortization Schedule

Loan Amortization Calculator (Commercial Loans Only)

For Principal & Interest Calculation

Enter Values		Loan Summary	
Loan Amount	\$ 10,000,000.00	Scheduled Payment	\$72,007.35
Annual Interest Rate	5.98 %	Total Annual Payments	\$864,088.23 \$606,305.56
Amortization Period in Years	20	Daily Rate	0.5053% \$0.00
Number of Payments Per Year	12	Scheduled Number of Payments	240 \$606,305.56
Start Date of Loan	12/1/2025	Actual Number of Payments	252
Optional Extra Payments		Total Early Payments	\$ -
Lender Name:		Total Interest	\$ 7,888,070.12

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Total Payment	Principal	Interest	Ending Balance
1	1/1/2026	\$ 10,000,000.00	\$ 50,525.46	50,525.46	\$ -	\$ 50,525.46	\$ 10,000,000.00
2	2/1/2026	10,000,000.00	50,525.46	50,525.46	0.00	\$ 50,525.46	10,000,000.00
3	3/1/2026	10,000,000.00	50,525.46	50,525.46	0.00	\$ 50,525.46	10,000,000.00
4	4/1/2026	10,000,000.00	50,525.46	50,525.46	0.00	\$ 50,525.46	10,000,000.00
5	5/1/2026	10,000,000.00	50,525.46	50,525.46	0.00	\$ 50,525.46	10,000,000.00
6	6/1/2026	10,000,000.00	50,525.46	50,525.46	0.00	\$ 50,525.46	10,000,000.00
7	7/1/2026	10,000,000.00	50,525.46	50,525.46	0.00	\$ 50,525.46	10,000,000.00
8	8/1/2026	10,000,000.00	50,525.46	50,525.46	0.00	\$ 50,525.46	10,000,000.00
9	9/1/2026	10,000,000.00	50,525.46	50,525.46	0.00	\$ 50,525.46	10,000,000.00
10	10/1/2026	10,000,000.00	50,525.46	50,525.46	0.00	\$ 50,525.46	10,000,000.00
11	11/1/2026	10,000,000.00	50,525.46	50,525.46	0.00	\$ 50,525.46	10,000,000.00
12	12/1/2026	10,000,000.00	50,525.46	50,525.46	0.00	\$ 50,525.46	10,000,000.00
13	1/1/2027	10,000,000.00	72,007.35	72,007.35	21,481.89	\$ 50,525.46	9,978,518.11
14	2/1/2027	9,978,518.11	72,007.35	72,007.35	21,590.43	\$ 50,416.92	9,956,927.68
15	3/1/2027	9,956,927.68	72,007.35	72,007.35	21,699.51	\$ 50,307.84	9,935,228.17
16	4/1/2027	9,935,228.17	72,007.35	72,007.35	21,809.15	\$ 50,198.20	9,913,419.02
17	5/1/2027	9,913,419.02	72,007.35	72,007.35	21,919.34	\$ 50,088.01	9,891,499.67
18	6/1/2027	9,891,499.67	72,007.35	72,007.35	22,030.09	\$ 49,977.26	9,869,469.58
19	7/1/2027	9,869,469.58	72,007.35	72,007.35	22,141.40	\$ 49,865.95	9,847,328.18
20	8/1/2027	9,847,328.18	72,007.35	72,007.35	22,253.27	\$ 49,754.08	9,825,074.91
21	9/1/2027	9,825,074.91	72,007.35	72,007.35	22,365.71	\$ 49,641.65	9,802,709.20
22	10/1/2027	9,802,709.20	72,007.35	72,007.35	22,478.71	\$ 49,528.64	9,780,230.49
23	11/1/2027	9,780,230.49	72,007.35	72,007.35	22,592.28	\$ 49,415.07	9,757,638.21
24	12/1/2027	9,757,638.21	72,007.35	72,007.35	22,706.43	\$ 49,300.92	9,734,931.77
25	1/1/2028	9,734,931.77	72,007.35	72,007.35	22,821.16	\$ 49,186.19	9,712,110.62
26	2/1/2028	9,712,110.62	72,007.35	72,007.35	22,936.46	\$ 49,070.89	9,689,174.15
27	3/1/2028	9,689,174.15	72,007.35	72,007.35	23,052.35	\$ 48,955.00	9,666,121.80
28	4/1/2028	9,666,121.80	72,007.35	72,007.35	23,168.82	\$ 48,838.53	9,642,952.98
29	5/1/2028	9,642,952.98	72,007.35	72,007.35	23,285.89	\$ 48,721.47	9,619,667.09
30	6/1/2028	9,619,667.09	72,007.35	72,007.35	23,403.54	\$ 48,603.81	9,596,263.55
31	7/1/2028	9,596,263.55	72,007.35	72,007.35	23,521.79	\$ 48,485.57	9,572,741.76
32	8/1/2028	9,572,741.76	72,007.35	72,007.35	23,640.63	\$ 48,366.72	9,549,101.13
33	9/1/2028	9,549,101.13	72,007.35	72,007.35	23,760.08	\$ 48,247.28	9,525,341.06
34	10/1/2028	9,525,341.06	72,007.35	72,007.35	23,880.13	\$ 48,127.23	9,501,460.93
35	11/1/2028	9,501,460.93	72,007.35	72,007.35	24,000.78	\$ 48,006.57	9,477,460.15
36	12/1/2028	9,477,460.15	72,007.35	72,007.35	24,122.05	\$ 47,885.31	9,453,338.10
37	1/1/2029	9,453,338.10	72,007.35	72,007.35	24,243.92	\$ 47,763.43	9,429,094.18
38	2/1/2029	9,429,094.18	72,007.35	72,007.35	24,366.42	\$ 47,640.93	9,404,727.76
39	3/1/2029	9,404,727.76	72,007.35	72,007.35	24,489.53	\$ 47,517.82	9,380,238.23
40	4/1/2029	9,380,238.23	72,007.35	72,007.35	24,613.26	\$ 47,394.09	9,355,624.97
41	5/1/2029	9,355,624.97	72,007.35	72,007.35	24,737.62	\$ 47,269.73	9,330,887.34
42	6/1/2029	9,330,887.34	72,007.35	72,007.35	24,862.61	\$ 47,144.74	9,306,024.73
43	7/1/2029	9,306,024.73	72,007.35	72,007.35	24,988.23	\$ 47,019.12	9,281,036.50
44	8/1/2029	9,281,036.50	72,007.35	72,007.35	25,114.49	\$ 46,892.87	9,255,922.01
45	9/1/2029	9,255,922.01	72,007.35	72,007.35	25,241.38	\$ 46,765.97	9,230,680.64
46	10/1/2029	9,230,680.64	72,007.35	72,007.35	25,368.91	\$ 46,638.44	9,205,311.72
47	11/1/2029	9,205,311.72	72,007.35	72,007.35	25,497.09	\$ 46,510.26	9,179,814.64
48	12/1/2029	9,179,814.64	72,007.35	72,007.35	25,625.91	\$ 46,381.44	9,154,188.72
49	1/1/2030	9,154,188.72	72,007.35	72,007.35	25,755.39	\$ 46,251.96	9,128,433.33
50	2/1/2030	9,128,433.33	72,007.35	72,007.35	25,885.52	\$ 46,121.83	9,102,547.81
51	3/1/2030	9,102,547.81	72,007.35	72,007.35	26,016.31	\$ 45,991.04	9,076,531.50
52	4/1/2030	9,076,531.50	72,007.35	72,007.35	26,147.76	\$ 45,859.60	9,050,383.75
53	5/1/2030	9,050,383.75	72,007.35	72,007.35	26,279.87	\$ 45,727.48	9,024,103.88
54	6/1/2030	9,024,103.88	72,007.35	72,007.35	26,412.65	\$ 45,594.70	8,997,691.23

A RESOLUTION APPROVING THE ISSUANCE BY THE DIVISION OF PUBLIC RAILWAYS OF THE SOUTH CAROLINA DEPARTMENT OF COMMERCE, OF A REVENUE NOTE IN THE PRINCIPAL AMOUNT NOT EXCEEDING \$10,000,000, PURSUANT TO THE PROVISIONS OF TITLE 13, CHAPTER 1, ARTICLE 9 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

WHEREAS, the Division of Public Railways ("Palmetto Railways") of the South Carolina Department of Commerce (the "Department") has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Section 13-1-1460 of the Code of Laws of South Carolina 1976, as amended, requested the approval by the State Fiscal Accountability Authority (the "State Board") of the issuance by Palmetto Railways pursuant to Section 13-1-1330(7) of the Code of Laws of South Carolina 1976, as amended (the "Act"), of its revenue note (the "Note"), in the principal amount not exceeding \$10,000,000; and

WHEREAS, as required by Section 13-1-1350 of the Act, by petition dated November 2, 2017, as amended by correspondence dated November 20, 2017 and December 4, 2017, as part of its system of railways, Palmetto Railways has previously sought and received the approval of the State Board required with regard to the acquisition, by purchase, construction, condemnation or donation, and operation of additional connecting, switching, terminal or other railroads related to, and has commenced the construction of, a 22.7 mile freight rail line and related facilities, consisting of a rail corridor from the Camp Hall Commerce Park in Berkeley County, South Carolina northward and eastward to a connection with the CSX rail network near the Santee Cooper Cross Generating Station in Pineville, South Carolina, at a total cost of approximately \$208,570,000 (the "Camp Hall Project"). The costs of the Camp Hall Project are being paid from multiple sources of funding, including multiple grants totaling \$134,350,000, \$47,993,000 of cash from Palmetto Railways, and private sources of funding from CSX Railroad and Volvo Car manufacturing totaling \$16,227,000. At this time, additional funding in the amount of \$10,000,000 is required for completion of the Camp Hall Project; and

WHEREAS, at the time of approval of the Camp Hall Project by the State Board, although it appeared that no borrowing by Palmetto Railways would be required to fund the project it was anticipated that Palmetto Railways may subsequently seek approval of a revenue bond and/or other financing for the Camp Hall Project, should such borrowing subsequently become necessary to fund a portion of the project costs; and

WHEREAS, as the remaining component of the funding for the Camp Hall Project, Palmetto Railways now proposes to borrow the amount of not to exceed \$10,000,000 to be evidenced by a revenue note (the "Note") structured as a bank loan, to be repaid from revenues of Palmetto Railways; and

WHEREAS, pursuant to Section 13-1-1330(7) of the Act, upon approval of the State Board, Palmetto Railways is authorized and empowered to provide for the issuance of revenue bonds, including notes, bonds, refunding bonds, and other obligations, to defray the cost of acquisition, by purchase, construction or condemnation, of connecting, switching, terminal or other railroads, and necessary equipment, payable both as to principal and interest from the

revenues to be derived from the operation of such railroads; provided, that all revenue bonds issued by Palmetto Railways shall be issued in accordance with the provisions of Sections 13-1-1350 through 13-1-1460 of the Act; and

WHEREAS, pursuant to Section 13-1-1360 of the Act, the Note will be a limited obligation of Palmetto Railways, the principal of and interest on which shall be payable solely out of the revenues derived from the operation of the railroads authorized by the Act. The Note and interest thereon shall not constitute an indebtedness of Palmetto Railways, the Department, the State of South Carolina, or any political subdivision thereof, within the meaning of any State constitutional provision or statutory limitation and shall not constitute nor give rise to a pecuniary liability of the same or a charge against the general credit of Palmetto Railways or the Department or against the full faith, credit or taxing power of the State of South Carolina, or any political subdivision thereof, and such fact shall be plainly stated on such Note; and

WHEREAS, Palmetto Railways has requested and received competitive proposals from commercial banks to provide financing of the Note, and the Director of Palmetto Railways has selected the proposal determined to be most competitive and responsive to Palmetto Railways' needs; and

WHEREAS, Section 13-1-1390 of the Act requires that certain findings be made prior to the issuance of revenue bonds, including notes, bonds, refunding bonds, and other obligations of Palmetto Railways, and such which findings have been so certified to the State Board by the Director of Palmetto Railways; and

WHEREAS, the Note imposes no pecuniary liability on Palmetto Railways, the Department, the State of South Carolina, or any political subdivision thereof, and does not create a charge against the general credit or taxing power of the State;

NOW, THEREFORE, BE IT RESOLVED, by the State Fiscal Accountability Authority of the State of South Carolina, as follows:

Section 1. It has been found and determined by the State Board that the Undertaking of Palmetto Railways to issue the Note and to defray a portion of the costs of the Camp Hall Project as described herein is intended to promote the purposes of the Act and is reasonably anticipated to effect such results.

Section 2. On the basis of the foregoing, the Undertaking of Palmetto Railways to issue the Note to defray a portion of the costs of the Camp Hall Project as described herein (including changes in any details of said financing as finally consummated which do not materially affect the Undertaking) be and the same is hereby approved.

Section 3. Notice of the action taken by the State Board in giving approval to the Undertaking shall be published in the Post & Courier which is a newspaper having general circulation in the State of South Carolina and in Berkeley County.

Section 4. The notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit A to this Resolution.

Section 5. This Resolution shall take effect immediately.

**NOTICE PURSUANT TO THE PROVISIONS
OF SECTION 13-1-1460 OF THE CODE OF LAWS
OF SOUTH CAROLINA 1976, AS AMENDED**

Notice is hereby given that following the filing of a Petition by the Division of Public Railways ("Palmetto Railways") of the South Carolina Department of Commerce, the State Fiscal Accountability Authority of South Carolina has given its approval pursuant to the provisions and requirements of Section 13-1-1460 of the Code of Laws of South Carolina 1976, as amended (the "Act"), to the following undertaking (the "Undertaking") by Palmetto Railways:

The issuance by Palmetto Railways of its revenue note in the amount not exceeding \$10,000,000 (the "Note"), for the purposes of providing permanent financing for a portion of the cost of the "Camp Hall Project" which includes construction of a 22.7 mile freight rail line and related facilities, consisting of a rail corridor from the Camp Hall Commerce Park in Berkeley County, South Carolina northward and eastward to a connection with the CSX rail network near the Santee Cooper Cross Generating Station in Pineville, South Carolina. It is expected by Palmetto Railways that the other components of the Camp Hall Project will be funded with moneys to be available to Palmetto Railways. The Note will be a limited obligation of Palmetto Railways to be issued under and pursuant to the provisions of Section 13-1-1330(7) of the Code of Laws of South Carolina 1976, as amended, and payable solely out of the revenues derived from the operation of the railroads by Palmetto Railways as authorized by the Act.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Fiscal Accountability Authority's approval of the Undertaking, by action *de novo* instituted in the Court of Common Pleas for Berkeley County, South Carolina.

STATE FISCAL ACCOUNTABILITY AUTHORITY

September 26, 2025

State Fiscal Accountability Authority
Columbia, South Carolina

Not to Exceed \$10,000,000
Division of Public Railways of the South Carolina Department of Commerce
Revenue Note, Series 2025

Gentlemen:

We are acting as bond counsel in connection with the proposed issuance by the Division of Public Railways of the South Carolina Department of Commerce ("Palmetto Railways") of the referenced revenue note (the "Note"). At your request, we are delivering this opinion in connection with the Petition of Palmetto Railways (the "Petition") to the State Fiscal Accountability Authority ("SFAA"), to receive the SFAA's approval of the issuance of the Note pursuant to Title 13, Chapter 1, Article 9 of the Code of Laws of South Carolina 1976, as amended (the "Act"), to finance a portion of the costs of acquisition, by purchase, construction, condemnation or donation, and operation of additional connecting, switching, terminal or other railroads related to, and construction of, a 22.7 mile freight rail line and related facilities, consisting of a rail corridor from the Camp Hall Commerce Park in Berkeley County, South Carolina northward and eastward to a connection with the CSX rail network near the Santee Cooper Cross Generating Station in Pineville, South Carolina, at a total cost of approximately \$208,570,000 (the "Camp Hall Project").

In that capacity, we have examined originals or copies of the Petition and other documents, certificates, and correspondence as we have deemed necessary for purposes of giving this opinion (the "Transaction Documents").

In rendering the opinion expressed below, we have relied solely on our examination of the Transaction Documents. We have not made any investigation as to any factual matter or as to the accuracy or completeness of any representation, warranty, data, or any other information, whether written or oral, that may have been made by or on behalf of the Palmetto Railways or the other parties to the Transaction Documents. Further, in rendering the opinion expressed below, we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of South Carolina, and the opinions are limited to the federal laws of the United States of America and the laws of the State of South Carolina.

Based on the stated examination and assumptions, and subject to the stated qualifications and limitations, we are of the opinion, under existing law, that all findings and conclusions appearing in the SFAA Resolution are supported by representations or statements of fact appearing in the Transaction Documents and the Transaction Documents comply with all requirements of the Act, contain all required facts, information, and findings by the respective authorities, and are legally sufficient to allow the SFAA to approve the issuance of the Note through the adoption of the SFAA Resolution.

Except as set forth above, we express no opinion in connection with the issuance and sale of the Note. The opinion expressed above is rendered solely for your benefit in considering the approval of the issuance of the Note under the Act. The opinion may neither be relied on by you for any other purpose nor be furnished to, used, circulated, quoted, or relied on by any other person or entity for any other purpose, without our prior written consent in each instance. We disclaim any obligation to update the opinion expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

HOWELL LINKOUS & NETTLES, LLC



Samuel W. Howell

Eutaw Springs

Lake
Marion

Camp Hall Rail
connection to the
CSX main line

At-Grade Crossing at Viper Rd

Santee Cooper Cross
Generating Station

At-Grade Crossing at Ranger Drive

At-Grade Crossing at SC 6

At-Grade Crossing at Short Cut Rd

Cross

Lake
Moultrie

At-Grade Crossing at SC 311

At-Grade Crossing Mudville Rd

At-Grade Crossing at US 176

176

At-Grade Crossing at Volvo Car Dr

At-Grade Crossing at Fish Rd

Camp Hall Commerce Park

Redwood Materials Inc.

Volvo Car Operations

- Camp Hall Rail Line**
- Existing CSX Rail Line**
- County Boundaries**

At-Grade Crossing is an intersection where a railway line crosses a road, path, or highway, at the same level, as opposed to the railway line crossing over or under using an overpass or tunnel. There will be safety warnings, such as lights and signal arms at each at-grade crossing.

