

# STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, May 12, 2020 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

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## AGENDA INDEX

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Item	Agency	Subject
<b>A.</b>	<b>ADOPTION OF PROPOSED AGENDA</b>	
<b>B.</b>	<b>MINUTES OF PREVIOUS MEETINGS</b>	
<b>C.</b>	<b>REGULAR SESSION</b>	
1.	State Treasurer's Office	Bond Counsel Selection
2.	Patriots Point Development Authority	Report Regarding Lease to Patriots Annex, LLC
3.	Division of Procurement Services	Procurement Audit and Certification
4.	Executive Director	Revenue Bonds
5.	Executive Director	Future Meeting

HENRY MCMASTER, CHAIR  
GOVERNOR

CURTIS M. LOFTIS, JR.  
STATE TREASURER

RICHARD ECKSTROM, CPA  
COMPTROLLER GENERAL



HUGH K. LEATHERMAN, SR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

G. MURRELL SMITH, JR.  
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

OFFICE OF THE EXECUTIVE DIRECTOR

GRANT GILLESPIE  
EXECUTIVE DIRECTOR

(803) 734-8018  
GGILLESPIE@SFAA-SC.GOV

# NOTICE OF MEETING

In observance of COVID-19 social distancing guidelines, the May 12, 2020, meeting of the State Fiscal Accountability Authority will be conducted solely via videoconference. Members of the public and media are invited to access the meeting via live streaming at <http://www.scetv.org/live/sc-state-fiscal-accountability-authority> using the broadcast made available through South Carolina ETV.

AGENCY: State Treasurer's OfficeSUBJECT: Bond Counsel Selection

The State Treasurer's Office has provided the following notification of the assignment of bond counsel for conduit issues for which Authority approval is requested:

**CONDUIT ISSUES:**

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel
\$475,000,000; Hospital Facilities Revenue Bonds; Bon Secours Mercy Health, Inc.; Series 2020 (South Carolina Jobs-Economic Development Authority – "SC JEDA")	Bon Secours Mercy Health, Inc. Conduit: SC JEDA	Haynsworth Sinkler Boyd – Jeremy Cook	Parker Poe – Ray Jones, Emily Luther
\$86,970,000; Florence County; South Carolina Refunding Hospital Revenue Bonds; McLeod Regional Medical Center Project; Series 2020A	McLeod Regional Medical Center Project Conduit: Florence County	Pope Flynn – Joe Lucas  Co-Counsel; Robinson Bradshaw – Allen Robertson	Aiken Bridges – Boone Aiken Moore & Van Allen – Manning Unger
\$21,850,000; Multifamily Housing Revenue Bonds; Broad River Village Apartments Project; Series 2020 (SC State Housing Finance and Development Authority - "SCSHFDA")	Broad River Village LP (Broad River Village Apartments Project) Conduit: SCSHFDA	Burr Foreman McNair – Michael Seezen  Co-Counsel; Ice Miller – Phil Genetos	Tracey Easton, General Counsel
\$11,000,000; Multifamily Housing Revenue Bonds; Waters at Ribaut Apartments Project; Series 2020 (Conduit: SCSHFDA)	Water at Ribaut LP (Waters at Ribaut Apartments Project) Conduit: SCSHFDA	Parker Poe – Ray Jones, Emily Luther	Tracey Easton, General Counsel
\$89,500,000; Multifamily Housing Revenue Bonds; Bridgeview Village Apartments Project; Series 2020 Conduit: SCSHFDA)	Standard Bridgeview Venture LP (Bridgeview Village Apartments Project) Conduit: SCSHFDA	Parker Poe – Ray Jones, Emily Luther	Tracey Easton, General Counsel

**AUTHORITY ACTION REQUESTED:**

Approve the referenced bond counsel assignment as recommended by the State Treasurer's Office.

**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 May 12, 2020 meeting:**

**CONDUIT ISSUES:**

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$475,000,000; Hospital Facilities Revenue Bonds; Bon Secours Mercy Health, Inc.; Series 2020 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)	Bon Secours Mercy Health, Inc. Conduit: SC JEDA	Haynsworth Sinkler Boyd – Jeremy Cook	Parker Poe – Ray Jones, Emily Luther	03/06/2020
\$86,970,000; Florence County; South Carolina Refunding Hospital Revenue Bonds; McLeod Regional Medical Center Project; Series 2020A	McLeod Regional Medical Center Project Conduit: Florence County	Pope Flynn – Joe Lucas  Co-Counsel; Robinson Bradshaw – Allen Robertson	Aiken Bridges – Boone Aiken  Moore & Van Allen – Manning Unger	04/23/2020
\$21,850,000; Multifamily Housing Revenue Bonds; Broad River Village Apartments Project; Series 2020 (SC State Housing Finance and Development Authority - “SCSHFDA”)	Broad River Village LP (Broad River Village Apartments Project) Conduit: SCSHFDA	Burr Foreman McNair – Michael Seezen  Co-Counsel; Ice Miller – Phil Genetos	Tracey Easton, General Counsel	04/06/2020
\$11,000,000; Multifamily Housing Revenue Bonds; Waters at Ribaut Apartments Project; Series 2020 (Conduit: SCSHFDA)	Water at Ribaut LP (Waters at Ribaut Apartments Project) Conduit: SCSHFDA	Parker Poe – Ray Jones, Emily Luther	Tracey Easton, General Counsel	04/06/2020
\$89,500,000; Multifamily Housing Revenue Bonds; Bridgeview Village Apartments Project; Series 2020 (Conduit: SCSHFDA)	Standard Bridgeview Venture LP (Bridgeview Village Apartments Project) Conduit: SCSHFDA	Parker Poe – Ray Jones, Emily Luther	Tracey Easton, General Counsel	04/06/2020

**GENERAL OBLIGATION / REVENUE ISSUES:**

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved



STATE FISCAL ACCOUNTABILITY AUTHORITY  
MEETING OF May 12, 2020

REGULAR SESSION  
ITEM NUMBER 2

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AGENCY: Patriots Point Development Authority

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SUBJECT: Annual Report Regarding Lease to Patriots Annex, LLC

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On August 31, 2017, the State Fiscal Accountability Authority (the Authority) approved a lease agreement between Patriots Point Development Authority (PPDA) and Patriots Annex, LLC. The approval required PPDA to submit a report to the Authority each year prior to March 31 regarding the status of the lease and project. The Authority received a timely status report on or about March 19, 2020 and, in response to the COVID-19 pandemic, the Authority received an updated report dated April 20, 2020.

The March 19 PPDA report states that while extensive infrastructure design work has been completed (see Patriots Annex's Conceptual Master plan), no actual construction has begun, no revenue producing improvements have been completed, and a total of \$13,575 has been paid in property taxes and storm water fees. This initial report further indicates that the Inspection Period has expired, and lease payments are scheduled to begin on October 5, 2020. At the time of the March 19 report, PPDA anticipated receiving \$121,088 in rental income between October 5, 2020 and March 30, 2021.

In response to the COVID-19 pandemic and South Carolina's closure of non-essential businesses, PPDA issued an Updated Annual Report on April 20, 2020 to reflect the impacts of the State of Emergency. The Updated Annual Report outlines a Relief Plan approved by PPDA Board, which, while not forgiving any rent due, provides for a delay in the payment of rent by the lessee, delay of construction commencement deadlines, and delay until 90 days after the South Carolina State of Emergency is lifted of any rent due on any lease for any period prior to March 2020. The PPDA Board will re-evaluate the terms of the relief period under the Relief Plan and may extend the same for additional 3 months, up to a maximum of 1 year. PPDA does not believe the Relief Plan constitutes an amendment of the lease, as all terms of the lease will be enforced.

In December 2019 Charleston County finalized the fee in lieu of taxes agreement. Likewise, prior to the declaration of a State of Emergency, the Town of Mt. Pleasant approved the request for Waterfront Gateway District zoning, and further approved the impact assessment, building heights within the premises, a development agreement, and a fee-in-lieu-of-taxes agreement for certain elements of the Conceptual Master Plan. While some of these administrative processes have been suspended under the current state of emergency, it is anticipated that said efforts will resume once local governments and economies fully re-open. It is now expected that construction on infrastructure improvements will begin in 2022.

AGENCY: Patriots Point Development Authority

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SUBJECT: Annual Report Regarding Lease to Patriots Annex, LLC

Lastly, the annual report contains updates concerning various deadlines for PPDA to vacate or relocate its improvements affected by the lease and provides an overview of a tenant equity interest transfer within the prior 12 months. The sole controlling and majority owner of Patriots Annex, LLC has not changed.

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AUTHORITY ACTION REQUESTED:

Receive as information a report from Patriots Point Development Authority updating the statue of the Patriots Annex development.

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ATTACHMENTS:

Murray 4/24/2020 letter; Annual Report of Patriot's Point Development Authority as of March 2020; as updated on April 20, 2020; Resolution of Patriot's Point Development Authority: Approval of Relief Plan for Tenants Relating to the COVID-19 Pandemic; enacted April 6, 2020; Graphics of Components of the Conceptual Master Plan

# PATRIOTS POINT

★HOME OF THE USS YORKTOWN★

April 24, 2020

Mr. Grant Gillespie  
Executive Director  
State Fiscal Accountability Authority  
P. O. Box 12444  
Columbia, SC 29211

Dear Mr. Gillespie,

The State Fiscal Accountability Authority approved a lease agreement between Patriots Point Development Authority and Patriots Annex LLC on October 5, 2017. The attached report provides an update on the status of this development. The report is in the format previously provided by JBRC with our updates annotated after each item. The original report for 2020 that was submitted through JBRC has now been updated to reflect the impacts of the COVID-19 State of Emergency.

Please let me know if any additional information is needed.

Sincerely,



Larry Murray  
Executive Director

cc:

Mr. William Hall, Chairman, PPDA Board of Directors (via E-mail)  
Mr. Wayne Adams, Chairman, Development Committee, PPDA Board of Directors (via E-mail)  
Mr. William Craver, Esq., PPDA Legal Counsel (via E-mail)  
Ms. Rebecca Hill, Esq., PPDA Legal Counsel (via E-mail)  
Mr. Bob Howard, PPDA Property Manager, (via E-mail)

**Annual Report to JBRC and SFAA**  
**Lease Between Patriots Point Development Authority and Patriots Annex, LLC**  
**(as of March 2020)**  
**(updated April 20, 2020 to reflect the impacts of the ongoing**  
**State of Emergency related to the COVID-19 virus)**

I. Financial Information

- A. A report concerning the amount of Rent generated by the Lease in the prior 12 months, including:
- (1) The amount of Minimum Rent received; and
  - (2) The amount of Percentage Rent received, broken down into the various categories of Percentage Rent. The Percentage Rent will be further broken down to show how much Percentage Rent is being generated by each improvement on the property.
  - (3) PPDA's use/expenditure of the revenue received in the prior 12 months, including carry-forward balances.

**PPDA Response:** No rent has been received. In accordance with the lease, rent payments will begin one year after the due diligence period (Inspection Period) ends, or at the beginning of the fourth year of the lease if the Inspection Period has ended, whichever comes first. The Inspection Period allowed by the lease has ended. Lease payments will begin to accrue on October 5, 2020 - the first day of the fourth year of the lease. Prior to the South Carolina State of Emergency, declared for the COVID-19 virus, extensive work was underway on infrastructure design. The negative economic impact (business closings, job losses, tourism cessation, etc.) caused by the COVID-19 virus (the "Virus Economic Impacts") will affect the timing of both the rent payments and the commencement of construction related to the Patriots Annex project. These Virus Economic Impacts will not alter the amount of rent ultimately received. On April 6<sup>th</sup>, following the government-directed closing of non-essential businesses, the PPDA Board met to consider a request from the Lessee, Patriots Annex LLC, to defer rent payments and deadlines related to the commencement of construction, in order to give the Lessee the opportunity to recover from the Virus Economic Impacts. The PPDA Board unanimously passed a resolution that

provides a Relief Plan to the Lessee without reducing any rent due to PPDA. A copy of this resolution is attached. The approved Relief Plan provides (1) a delay in payment of rent due by the Lessee of up to one year (granted by PPDA in increments of three months at a time) for the period March, 2020 through February, 2021, (2) delay (under the same time structure) of the deadline for the commencement of construction on the Patriots Annex lease, and (3) delay until 90 days after the South Carolina State of Emergency is lifted by the Governor any rent due on any lease for any period prior to March, 2020. It should be noted that, in this resolution, PPDA has not forgiven any rent due to PPDA and all terms of the existing leases, especially those related to interest on past due payments, are being enforced. PPDA will receive all of the rent it is due under the leases with the interest required by the leases for payments not made at the time required by the leases.

- B. A projection of the Rent PPDA expects the Lease to generate in the next 12 months.

PPDA response: Rent will begin to accrue on October 5, 2020. Per the lease terms, rent will be paid at 30% of Fair Market Rent (FMR) for the year Oct 5, 2020 thru Oct 4, 2021. FMR was pre-determined through formal appraisals and is adjusted annually with CPI increases. Over the next 12 months, during the period Oct 5, 2020 – Mar 30, 2021, we expect rent to accrue at approximately \$20,625/month for a total of \$121,088 plus interest for any payments deferred due to the resolution passed by the PPDA Board. The timing of the actual payments of this rent and interest will be determined by the rate of business recovery following the lifting of the State of Emergency. The PPDA Board will evaluate the terms of this resolution each quarter and determine whether to extend the Relief Period for an additional three months, up to a maximum of a total of one year.

- C. An estimate of the local and state tax revenue generated by the activity on the Premises during the prior 12 months.

PPDA Response: No revenue-producing improvements have been completed that would generate sales or hospitality taxes. Property taxes have been paid in the amount of \$9,976, along with Storm Water Fees of \$3,599.

- D. An estimate of the number of people employed by the businesses operating on the Premises,

PPDA Response: None. No businesses have been constructed.

II. Development

- A. An overview of the current Master Plan (or Conceptual Master Plan if no Master Plan is in place yet), including any subdivision of the Premises approved by PPDA in the prior 12 months.

PPDA Response: Tenant has developed a Conceptual Master Plan per the terms of the lease approved by JBRC/SFAA. This Conceptual Master Plan was unanimously approved by the PPDA Board on March 15, 2019. The plan includes three hotels, a convention/conference facility, three office buildings, three parking garages, an amphitheater, retail buildings with residential apartments above the retail spaces, and a public boardwalk. The development will be constructed over a period of 10 – 15 years in multiple phases. A copy of the approved Conceptual Master Plan is attached.

- B. The status of each project shown on the Master Plan (or Conceptual Master Plan), including:

- (1) The status of Mt. Pleasant and/or Charleston County approvals required to commence construction.

PPDA Response: The tenant has received approval from the Town of Mount Pleasant for Waterfront Gateway District zoning. The Town has also approved the impact assessment, the building heights within the premises, a Development Agreement, and a fee-in-lieu-of-taxes agreement for the following elements of the Conceptual Master Plan: two (of three) hotels with 500 rooms (covers the total rooms in the CMP); 170,000 sf (out of 405,000 proposed in CMP) of office space; 18,000 sf (total in the plan) of restaurant space; 60,000 sf (of the 75,000 proposed in the CMP) of retail space; 130 apartments (covers total proposed in the CMP); two of the three parking garages (1,200 of the garage spaces and 440 surface spaces covers 1,640 of the 2,800 proposed parking spaces leaving 1,160 to be covered); the amphitheater; and 20,000 sf of museum space for PPDA. In December, 2019, the tenant finalized the payment-in-lieu-of-taxes agreement with Charleston County. At this point, the tenant has all of the approvals necessary to proceed with the Town of Mount Pleasant's design review

process. These administrative processes have come to a halt under the State of Emergency. We expect the Lessee will reenergize these efforts after the State of Emergency is lifted, the Town is open to receiving applications, and the business community has recovered from the shutdown.

- (2) The status of any improvements currently under construction.

PPDA Response: None under construction at this time. Design work is now being done for the infrastructure to support the entire development.

- (3) The status of any improvements completed and operational within the prior 12 months.

PPDA Response: None.

- (4) Any change in the status of operating improvements.

PPDA Response: None.

- (5) The status of any major repairs or renovations to improvements that required PPDA's approval in the prior 12 months.

PPDA Response: None.

- C. An update concerning the Lease's various development-related deadlines.

PPDA Response:

The "Lease Commencement Date" is October 5, 2017, when SFAA approved and signed the agreement.

The "Inspection Period" ended on January 17, 2020, when the final negotiated agreement with Charleston County was fully-executed.

The "Minimum Rent Commencement Date" is October 5, 2020.

- D. Milestones expected in the upcoming 12 months.

PPDA Response: Minimum rent will begin to accrue on Oct 5, 2020. As a result of the State of Emergency, we now expect the tenant to begin construction on infrastructure improvements in 2022, and to commence the

design review process for Phase 1 of the construction with the Town of Mount Pleasant in that same timeframe.

E. An update concerning the PPDA improvements affected by the Lease, including:

- (1) Any improvements vacated by PPDA in the prior 12 months.

PPDA Response: None.

- (2) The status of any improvements currently being relocated or constructed.

PPDA Response: None.

- (3) The status of any improvements, the relocation or construction of which was completed in the prior 12 months.

PPDA Response: None.

- (4) An update concerning the various deadlines for PPDA to vacate or relocate its improvements affected by the Lease.

PPDA Response:

PPDA is currently using a portion of the Premises for the operation of its museums. The Lease involves coordinating the development of the Premises with PPDA's continuing operation of its museums so as to present a visitor with the appearance of one seamless development. PPDA's operations are generally categorized as follows: (i) PPDA's primary facility which houses the gift shop, ticket office, snack bar, restroom and photo concession, (ii) PPDA's pier facility, (iii) PPDA's storage and maintenance facility, (iv) PPDA's Vietnam Support Base exhibit, (v) PPDA's personnel parking, and (iv) PPDA's visitor parking. As of the commencement of the Lease, the portions of the property used by PPDA for its operations were excluded from the Premises and Tenant is not responsible for paying rent with regard to that land. As Tenant is prepared to develop different portions of the Premises, any obstructing PPDA facilities and/or uses will be relocated. Some of these will be relocated at Tenant's cost and others will be relocated at PPDA's cost. When a PPDA facility and/or use is relocated, the land vacated by PPDA will



be added to the Premises, and the land to which such facility and/or use has been relocated will be removed from the Premises. If PPDA has not relocated a particular facility and/or use prior to the deadline for vacating such facility and/or use set forth in the Lease, then PPDA will be required to relocate such facility and/or use to a temporary location to allow the Tenant to move forward with its development. The Tenant will be responsible for the demolition of any improvements left by PPDA on land that PPDA vacates.

Current Primary Landlord Facility. The Tenant must give PPDA 12 months prior notice of the anticipated date for commencement of construction and update this estimate quarterly. PPDA must vacate its current primary facility *no sooner than* 3 years after the commencement of the Lease (October 5, 2020), but *no later than* 3 months after Tenant actually commences construction of the first improvements on the Premises. PPDA has not received the 12 months prior notice of the anticipated date for commencement of construction.

Pier Facility. PPDA's current pier facility is located at the head of the pier leading to the Yorktown. PPDA's new pier facility will be located in approximately the same location and also will include some of the land between the head of the pier and PPDA's new primary facility. The Landlord Pier Boardwalk is the only new element of PPDA's pier facilities. If the Conceptual Master Plan and the Master Plan include the Tenant Pier Boardwalk and the Landlord Pier Boardwalk, PPDA has 30 days from receipt of the notice of the anticipated date for Commencement of Construction of the first phase of improvements to be constructed on the Premises to commence the process required by South Carolina law for PPDA to obtain approval from the applicable State authorities for PPDA to construct the Landlord Pier Boardwalk. PPDA shall have constructed the Landlord Pier Boardwalk as of the later of (i) six (6) months after the Current Primary Landlord Facility Vacancy Deadline, (ii) twelve (12) months after PPDA receives approval for construction from the South Carolina Joint Bond Review Committee for construction of the Landlord Pier Boardwalk, or (iii) a later date agreed to by PPDA and Tenant to coordinate Landlord's construction of the Landlord Pier Boardwalk with Tenant's construction schedule. PPDA has not received the 12 months prior notice of the anticipated date for commencement of construction.

PPDA's storage and maintenance facility and PPDA's Vietnam Support Base exhibit. These two facilities are going to be relocated

onto Parcel 2A which is currently subject to a conservation easement that lasts until at least June 1, 2023.

PPDA's personnel parking and PPDA's visitor parking. Relocation of these parking facilities has not yet commenced.

III. Legal/Miscellaneous.

- A. An overview of any Sublease or Subparcel Sublease transfers that have occurred in the prior 12 months.

PPDA Response: None

- B. An overview of any tenant equity interest transfers that have occurred in the prior 12 months.

PPDA Response:

Patriots Annex, LLC provided PPDA, as Landlord, notice of the transfer of membership interests in Patriots Annex, LLC to a trust that had been undertaken as part of estate planning purposes. The three Members of Patriots Annex, LLC are (i) Patriots Annex Management, Inc., which is the Manager and owns 1%, and of which Mike Bennett is the sole shareholder, (ii) Hospitality Expeditions, LLC, which owns 51%, and of which Mike Bennett is the sole Member, and (iii) The Patriots Annex Irrevocable Trust, which owns 48%, and which is for the benefit of Mike's son Jack Bennett. Under the Master Lease, Permitted Equity Interest Transfers include Equity Interest Transfers to any Family Member of the transferor or to an entity wholly-owned and Controlled by the transferor or transferor's Family Members. Family Member includes any child or spouse and any trust for the benefit of a child or spouse. Permitted Equity Interest Transfers do not require approval and are expressly exempt from the Transfer Fee of 1% (and there was no Assignment Consideration for the gift to the Trust). Mike Bennett remains the sole controlling and majority owner of Patriots Annex, LLC.

- C. Any changes in the status of the Conservation Easement or the Federal Land Water Conservation Fund restrictions.

PPDA Response: None.

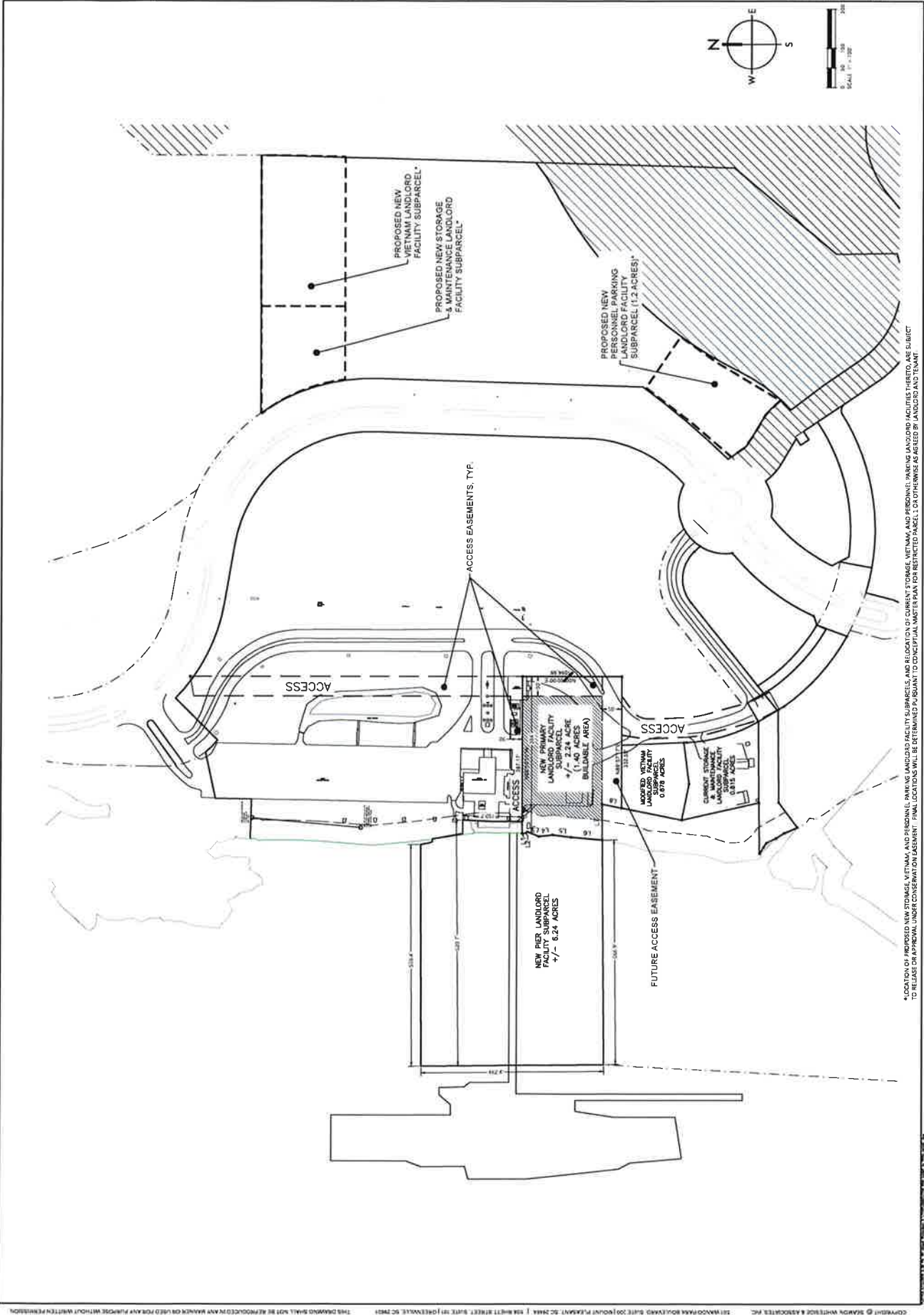
- D. An update concerning all loans secured by the leasehold estate.

PPDA Response: No loans have been secured at this time.

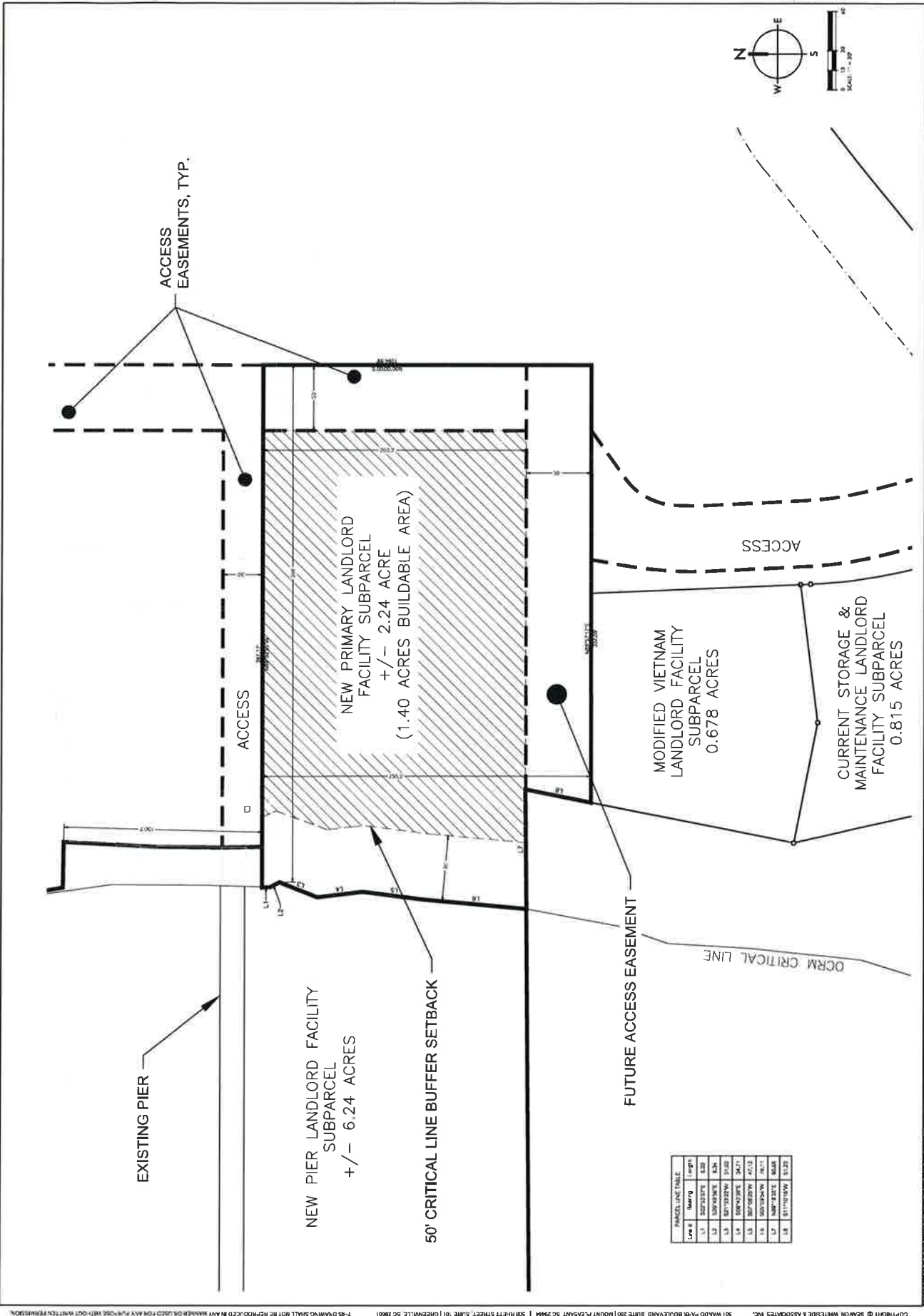








\*LOCATION OF PROPOSED NEW STORAGE, VIETNAM, AND PERSONNEL PARKING LANDLORD FACILITY SUBPARCELS, AND LOCATION OF CURRENT STORAGE, VIETNAM, AND PERSONNEL PARKING LANDLORD FACILITY SUBPARCELS, ARE SUBJECT TO RELEASE OR APPROVAL UNDER CONSERVATION EASEMENT. FINAL LOCATIONS WILL BE DETERMINED PERMANENT TO CD/DEPTUAL MASTER PLAN FOR RESTRICTED PARCEL 1 OR OTHERWISE AS ADVISED BY LANDLORD AND TENANT.



PARCEL LINE TABLE

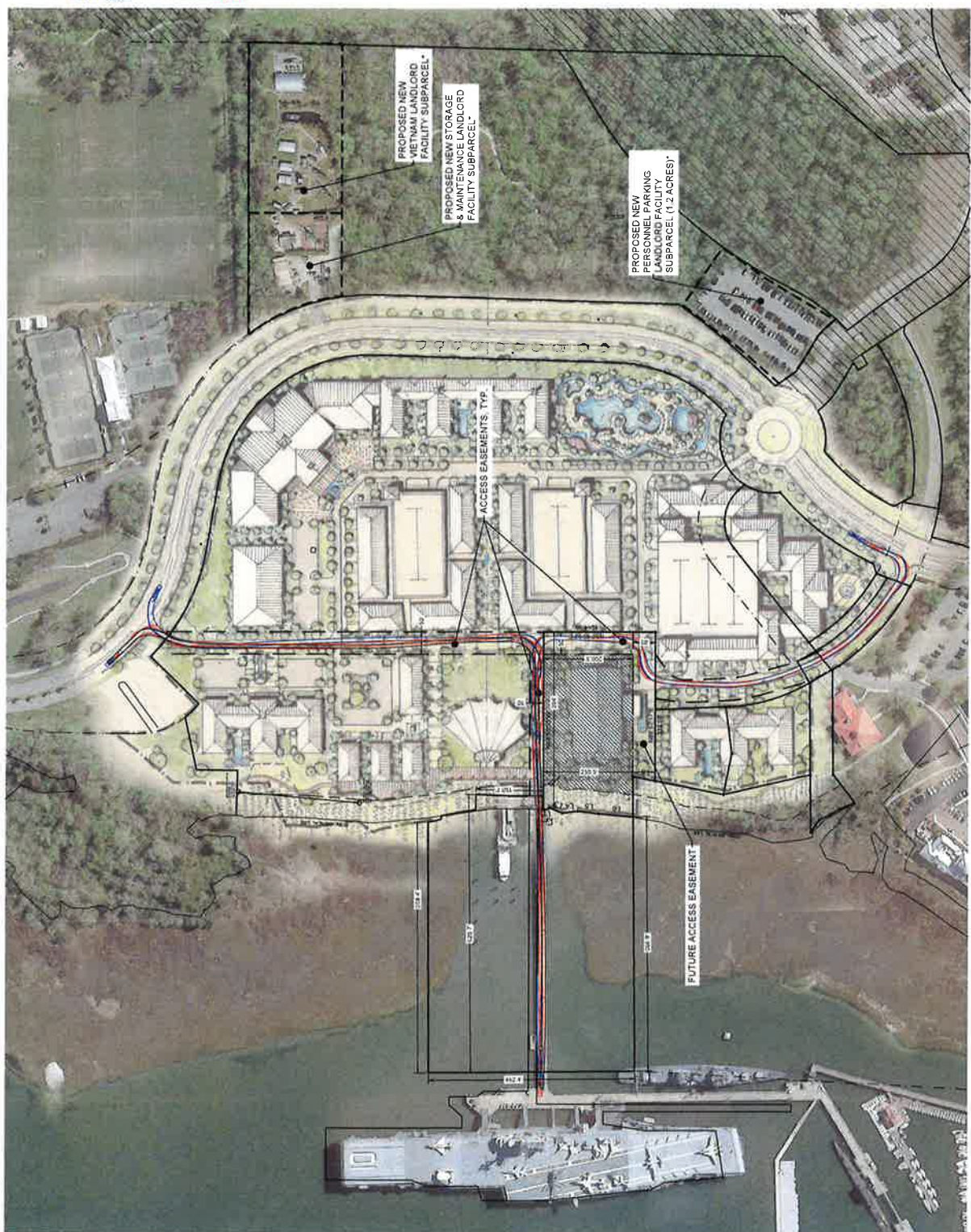
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7	10.00	S 00° 00' 00" E
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\*LOCATION OF PROPOSED NEW STORAGE, VIETNAM, AND PERSONNEL PARKING LANDLORD FACILITY SUBPARCELS, AND RELOCATION OF CURRENT STORAGE, VIETNAM, AND PERSONNEL PARKING LANDLORD FACILITIES THEREIN, ARE SUBJECT TO RELEASE OR APPROVAL UNDER CONSERVATION EASEMENT. FINAL LOCATIONS WILL BE DETERMINED PURSUANT TO CONCEPTUAL MASTER PLAN FOR RESTRICTED PARCEL 1, OR OTHERWISE AS AGREED BY LANDLORD AND TENANT.





Patriots Point Revenue Summary Development Components							
Hotels	Area sq.ft	Guest Rooms	ADR	Occupancy	Gross Revenue	% Ground Rent	Ground Rent
Hotel One	225,000						
Rooms Revenue		250	\$ 200.00	75%	\$ 13,687,500	3.5%	\$ 479,063
Conference Facility OR Office 1*	120,000				\$ 4,600,000	5.0%	\$ 230,000
Hotel Two	115,000						
Rooms Revenue		150	\$ 150.00	75%	\$ 6,159,375	3.5%	\$ 215,578
F&B/Conference					\$ 5,000,000	5.0%	\$ 250,000
Hotel Three	70,000						
Rooms Revenue		100	\$ 130.00	75%	\$ 3,558,750	3.5%	\$ 124,556
Totals	530,000	500			\$ 33,005,625		\$ 1,299,197
Offices	Area	NNN Rent psf			Gross Revenue	% Ground Rent	Ground Rent
Office Building One							
Office Building Two	135,000	24.00			\$ 3,240,000	7.0%	\$ 226,800
Office Building Three	135,000	24.00			\$ 3,240,000	7.0%	\$ 226,800
Office Building Four	135,000	24.00			\$ 3,240,000	7.0%	\$ 226,800
Totals	405,000				\$ 9,720,000		\$ 680,400
Restaurants	Area				Gross Revenue	% Ground Rent	Ground Rent
Restaurant One	6,000				\$ 2,000,000	3.5%	\$ 70,000
Restaurant Two	6,000				\$ 3,000,000	3.5%	\$ 105,000
Restaurant Three	6,000				\$ 4,000,000	3.5%	\$ 140,000
Totals	18,000				\$ 9,000,000		\$ 315,000
Retail	Area	NNN Rent psf			Gross Revenue	% Ground Rent	Ground Rent
Retail Buildings 3, 4, 5, 6, 7	44,300	30.00			\$ 1,329,000	12.5%	\$ 166,125
Retail Buildings 1, 2	15,700	30.00			\$ 471,000	12.5%	\$ 58,875
Retail/Commercial 8, 9	15,000	30.00			\$ 450,000	12.5%	\$ 56,250
Totals	75,000				\$ 2,250,000		\$ 281,250
Apartments	Area	No of Apts	NNN Rent/mth		Gross Revenue	% Ground Rent	Ground Rent
Building One	70,000	65	2,000		\$ 1,560,000	8.0%	\$ 124,800
Building Two	70,000	65	2,000		\$ 1,560,000	8.0%	\$ 124,800
Totals	140,000				\$ 3,120,000		\$ 249,600
Parking Garages							Ground Rent
Garage One	180,000	700	5.00		\$ 1,277,500	10.0%	\$ 127,750
Garage Two	180,000	700	5.00		\$ 1,277,500	10.0%	\$ 127,750
Garage Three	345,000	1,400	5.00		\$ 2,555,000	10.0%	\$ 255,500
Totals	705,000				\$ 5,110,000		\$ 511,000
Amphitheatre							Ground Rent
Amphitheatre	60,000		TBD		TBD		
Totals	60,000				\$ -		\$ -
Grand Totals	1,873,000				\$ 59,085,625		\$ 3,336,447
Future Land Phase							Ground Rent
Land Currently Under Easement	22 Acres	Projected Ground Rent Potential from future development					\$ 1,000,000
Final Grand Totals	-				\$ -		\$ 4,336,447

\* - The conference facility would take the place of Office 1 and is calculated based on the projected revenue and rent of conference.



**RESOLUTION OF THE  
PATRIOTS POINT DEVELOPMENT AUTHORITY**  
Approval of Relief Plan for Tenants Relating to the COVID-19 Pandemic  
Mt. Pleasant, South Carolina

WHEREAS, Patriots Point Development Authority ("Patriots Point") has received requests from Michael R. Bennett on behalf of the tenants ("Tenants") for relief concerning the leases (the "Lease(s)") for the Patriots Annex Parcels, Parcel A-1 (the Cottages), Parcel E, and the Golf Course, in light of economic repercussions from the COVID-19 pandemic.

WHEREAS, the Patriots Point Board acknowledges the current economic effects impacting Patriots Point from the COVID-19 pandemic given that Patriots Point is a tourism-based business.

WHEREAS, the Patriots Point Board is willing to provide relief to the Tenants requesting the same to the extent Patriots Point responsibly can do so within the structure of the Leases.

WHEREAS, the relief the Patriots Point Board will provide generally (the "Relief Plan") is (1) to delay for up to one year (granted by Patriots Point in increments of three months at a time) the payment under the Leases of rent due from March, 2020 through February, 2021, (2) to delay (under the same time structure) the deadline for the commencement of construction on the Patriots Annex Lease, and (3) to delay until 90 days after the South Carolina state of emergency is lifted by the Governor any rent due on any Lease for any period prior to March, 2020.

WHEREAS, to expedite the process of implementing this Relief Plan, the Patriots Point Board desires to outline in more detail the Relief Plan and to authorize, empower and direct the Chairman, the Vice Chairman, and the Secretary to negotiate, finalize and execute the contemplated documents for each Lease to implement the Relief Plan on behalf of Patriots Point.

The motion, properly seconded, is as follows:

RESOLVED: Patriots Point approves the following further details of the "Relief Plan" to be provided to each of the Tenants pursuant to a separate document specific to each Lease addressing that Lease using the following guidelines:

1. Designation of a "Proposed Relief Period" of March 2020 through February 2021 in four increments of three months each: March through May, 2020; June through August, 2020; September through November, 2020 and December 2020 through February 2021;
2. Granting each Lease an actual "Relief Period" consisting of the Initial Relief Period and any Extended Relief Periods added by the Board in its discretion on a Lease by Lease basis;

3. Granting each Lease an "Initial Relief Period" of March 2020 through May 2020;
4. Providing for the Board to consider extending the Relief Period for each Lease by each of the following proposed "Extended Relief Periods" or with respect to any such extension for a shorter extended relief period (for example one or two calendar months) at the following meetings:
  - a. the Board will consider the June through August, 2020 Extended Relief Period at its April, 2020 meeting;
  - b. the Board will consider the September through November, 2020 Extended Relief Period at its July, 2020 meeting; and
  - c. the Board will consider the December, 2020 through February, 2021 Extended Relief Period at its October, 2020 meeting;
5. Providing for the "Relief" with respect to each Lease to be a delay in Patriots Point enforcing paying rent for each month in the Relief Period granted;
6. Providing for the Relief for the Patriots Annex Lease to include a delay in the required date for Commencement of Construction for the Relief Period;
7. Specifying that the rent Relief would be implemented by Patriots Point agreeing to forebear enforcing the Tenant's payment of rent for each such month for one year with the rent for such month along with interest required under the applicable Lease being payable on the first day of the corresponding month in the following calendar year (for example, the March, 2020 rent and applicable interest will be due and payable March 1, 2021; the April, 2020 rent and applicable interest will be due and payable April 1, 2021; and
8. Specifying that any rent due on any Lease for any period prior to March, 2020 along with applicable interest be paid within 90 days after the Governor of South Carolina terminates the current State of Emergency in the State.

RESOLVED FURTHER: the Chairman or Vice Chairman, and the Secretary are authorized, empowered and directed to negotiate, finalize and execute these contemplated documents for each Lease to implement the Relief Plan on behalf of Patriots Point in such form as shall be approved by the Chairman or Vice Chairman, the Chairman's or Vice Chairman's and Secretary's execution thereof to constitute conclusive evidence of approval of such documents and any and all changes or revisions therein.

RESOLVED FURTHER: the Chairman or Vice Chairman, and the Secretary of the Board

are fully empowered and authorized to take such further action (including the expenditure of funds) and to execute and deliver such documents and instruments as they deem necessary or appropriate on behalf of Patriots Point to effect the actions contemplated hereby, and the action of the Chairman of the Board (or the Vice Chairman of the Board) and Secretary of the Board in executing and delivering any of such documents and instruments and in taking any such action is hereby fully authorized.

This Resolution shall be filed with Authority's resolutions.

**THE PATRIOTS POINT DEVELOPMENT AUTHORITY**

BY: William A. Hall  
William A. Hall, Chairman

ATTEST: Larry G. Murray  
Larry G. Murray, Secretary

Enacted 4/6, 2020.

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AGENCY: Division of Procurement Services

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SUBJECT: Procurement Audit and Certification

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In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has audited the following agency and recommends certification within the parameters described in the audit report for the following agencies for a period of three years.

**Department of Motor Vehicles:** supplies and services<sup>1</sup>, \$350,000\* per commitment; information technology<sup>2</sup>, \$150,000\* per commitment.

\* Total potential purchase commitment whether single year or multi-term contracts are used.

<sup>1</sup> Supplies and Services includes non-IT Consulting, and Printing Services

<sup>2</sup> Information technology includes consultant assistance for any aspect of information technology, systems and networks

The internal controls of the Department of Motor Vehicles' procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Procurement Code and ensuing regulations as described in the audit report. The Division recommends the State Fiscal Accountability Authority approve procurement certification for the Department of Motor Vehicles at the limits noted above for a period of three years.

---

AUTHORITY ACTION REQUESTED:

Grant procurement certification, in accord with Section 11-35-1210, for the following agency within the parameters described in the audit report for the following limits (total potential purchase commitment whether single-or multi- year contracts are used):

**Department of Motor Vehicles:** supplies and services<sup>1</sup>, \$350,000\* per commitment; information technology<sup>2</sup>, \$150,000\* per commitment.

\* Total potential purchase commitment whether single year or multi-term contracts are used.

<sup>1</sup> Supplies and Services includes non-IT Consulting, and Printing Services

<sup>2</sup> Information technology includes consultant assistance for any aspect of information technology, systems and networks

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ATTACHMENTS:

Agenda item worksheet and attachments

**STATE FISCAL ACCOUNTABILITY AUTHORITY  
AGENDA ITEM WORKSHEET**

Meeting scheduled for: May 12, 2020

Green Agenda

**1. Submitted by:**

(a) Agency: Division of Procurement Services

(b) Authorized Official Signature:

  
John St. C. White, Materials Management Officer

**2. Subject:** Procurement Certification for the South Carolina Department of Motor Vehicles

**3. Summary Background Information:**

In accordance with S.C. Code Ann. §11-35-1210, the Division of Procurement Services audited the procurement operating policies and procedures of the South Carolina Department of Motor Vehicles to determine whether the internal controls of the Department's procurement system were adequate to ensure compliance, in all material respects, with the S.C. Consolidated Procurement Code and ensuing regulations.

	<b><u>Current Certification</u></b>	<b><u>Recommended Certification</u></b>
I. Supplies and Services <sup>1</sup>	*\$ 350,000 Per Commitment	*\$ 350,000 Per Commitment
II. Information Technology <sup>2</sup>	*\$ 150,000 Per Commitment	*\$ 150,000 Per Commitment
III. Consultant Services	*\$ 350,000	\$ --

\*Total potential purchase commitment whether single year or multi-term contracts are used.

The internal controls of the South Carolina Department of Motor Vehicles' procurement system are adequate to ensure compliance with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. We recommend the State Fiscal Accountability Authority approve procurement certification for the South Carolina Department of Motor Vehicles at the limits noted above for a period of three years.

**4. What is Authority asked to do?**

Approve the Recommended Procurement Certification for the South Carolina Department of Motor Vehicles.

**5. What is recommendation of Authority division involved?**

Approve the Recommended Procurement Certification

**6. Recommendation of other office (as required)?**

(a) Authorized Signature: \_\_\_\_\_

(b) Division/Agency Name: \_\_\_\_\_

**7. List of supporting documents:**

(a) S.C. Code Ann. §11-35-1210

<sup>1</sup> Supplies and Services includes non-IT Consulting, and Printing Services

<sup>2</sup> Information Technology includes consultant assistance for any aspect of information technology, systems and networks

**§ 11-35-1210. Certification**

(1) Authority. The board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The designated board office shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract.

(2) Policy. Authorizations granted by the board to a governmental body are subject to the following:

(a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;

(b) responsiveness to user needs;

(c) obtaining of the best prices for value received.

(3) Adherence to Provisions of the Code. All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

HENRY MCMASTER, CHAIR  
GOVERNOR

CURTIS M. LOFTIS, JR.  
STATE TREASURER

RICHARD ECKSTROM, CPA  
COMPTROLLER GENERAL



THE DIVISION OF PROCUREMENT SERVICES

DELBERT H. SINGLETON, JR.  
DIVISION DIRECTOR  
(803) 734-8018

JOHN ST. C. WHITE  
MATERIALS MANAGEMENT OFFICER  
(803) 737-0600  
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HUGH K. LEATHERMAN, SR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

G. MURRELL SMITH, JR.  
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

GRANT GILLESPIE  
EXECUTIVE DIRECTOR

February 18, 2020

Mr. Delbert H. Singleton Jr.  
Director  
Division of Procurement Services  
6<sup>th</sup> Floor-Wade Hampton Building  
Columbia, South Carolina 29201

Subject: Department of Motor Vehicles  
Procurement Audit Report

Delbert:

I have attached the Department of Motor Vehicles' procurement audit report issued by the Office of Audit and Certification. I concur with the report and its recommendation that the State Fiscal Accountability Authority approve a three-year procurement certification for the Department of Motor Vehicles.

Sincerely,

John St. C. White  
Materials Management Officer

Attachment

HENRY MCMASTER, CHAIR  
GOVERNOR

CURTIS M. LOFTIS, JR.  
STATE TREASURER

RICHARD ECKSTROM, CPA  
COMPTROLLER GENERAL



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GRANT GILLESPIE  
EXECUTIVE DIRECTOR

February 18, 2020

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

Re: Department of Motor Vehicles (DMV)  
Procurement Audit Report

John:

We have audited the internal procurement operating policies and procedures of DMV for the period January 1, 2015 through June 30, 2019, to determine whether the internal controls of the Department's procurement system were adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations.

The audit disclosed conditions, as explained in the report, which we believe require corrective action or improvement. Corrective action by the Department based on the recommendations described in the report will, in all material respects, place the Department in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

Sincerely,

Crawford Milling  
Director of Audit & Certification





**SOUTH CAROLINA  
DEPARTMENT OF MOTOR VEHICLES (DMV)  
INDEPENDENT PROCUREMENT AUDIT REPORT  
January 1, 2015 to June 30, 2019**

**Office of Audit & Certification  
Division of Procurement Services  
October 22, 2019**

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## **INTRODUCTION**

We conducted an audit of DMV's internal procurement operating policies and procedures, as outlined in their Internal Procurement Operating Procedures Manual, under §11-35-1230 (1) of the South Carolina Consolidated Procurement Code and Reg. 19-445.2020 of the accompanying regulations.

The primary objective of our audit was to determine whether, in all material respects, the internal controls of DMV's procurement system were adequate to ensure compliance with the Code and ensuing regulations.

The management of DMV is responsible for the agency's compliance with the Code. Those responsibilities include the following:

- Identifying the agency's procurement activities and understanding and complying with the Code
- Establishing and maintaining effective controls over procurement activities that provide reasonable assurance that the agency administers its procurement programs in compliance with the Code
- Evaluating and monitoring the agency's compliance with the SC Consolidated Procurement Code
- Taking corrective action when instances of noncompliance are identified, including corrective action on audit findings of this audit

Because of inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our review and evaluation of the system of internal control over procurement transactions, as well as our overall audit of procurement policies and procedures, was conducted with professional care. However, because of the nature of audit testing, they would not necessarily disclose all weaknesses in the system.

Our audit was also performed to determine if recertification under SC Code Ann. §11-35-1210 is warranted.

## INTRODUCTION

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On August 23, 2016 the State Fiscal Accountability Authority granted DMV the following procurement certifications:

<u>PROCUREMENT AREAS</u>	<u>CERTIFICATION LIMITS</u>
Supplies and Services	*\$ 350,000 per commitment
Information Technology	*\$ 150,000 per commitment
Consultant Services	*\$ 350,000 per commitment

DMV did not request any increases to its current certification levels during the audit .

\*Total potential purchase commitment whether single year or multi-term contracts are used.

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## SCOPE

We conducted our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Our audit included testing, on a sample basis, evidence about DMV's compliance with the Code for the period January 1, 2015 through June 30, 2019, the audit period, and performing other procedures that we considered necessary in the circumstances. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The scope of our audit included, but was not limited to, a review of the following:

- (1) Internal procurement and purchasing card (P-Card) procedure manuals
- (2) All sole source and emergency procurement justifications for the audit period. The following sole source procurement activity was reported to the Division of Procurement Services:

<u>Fiscal Year</u>	<u>Count</u>	<u>\$ Amount</u>
Q3,4 2015	14	1,321,055
2016	19	2,309,053
2017	20	1,590,768
2018	14	1,067,995
2019	25	1,242,326

- (3) Procurement transactions for the audit period as follows:
  - a) Sixty-five payments each exceeding \$2,500
  - b) Two hundred twenty-nine purchase orders (PO's) and direct expenditure vouchers reviewed against the use of order splitting or favored vendors
  - c) Twenty-five P-Card transactions for the periods of February and June of 2019
- (4) Eight construction contracts and four Architect/Engineer and Related Professional Service Contracts for compliance with the Manual for Planning and Execution of State Permanent Improvements, Part II
- (5) Small and Minority Business utilization plans and reports. The following activity was reported to the Division of Small and Minority Business Contracting and Certification (SMBCC):

<u>Fiscal Year</u>	<u>\$ Goal</u>	<u>\$ Actual</u>
Q3, 4 2015	129,890	54,630
2016	860,828	295,478
2017	605,455	334,748
2018	not reported	not reported
2019	not reported	not reported

- (6) Information Technology acquisitions under IT Plans
- (7) Surplus property dispositions, and approval of trade-ins in excess of \$5,000

### **SCOPE**

- (8) Disposition of unauthorized procurements. The following unauthorized procurement activity was reported to the Division of Procurement Services:

<u>Fiscal Year</u>	<u>Count</u>	<u>\$ Amount</u>
Q3, 4 2015	1	7,734
2016	0	-0-
2017	0	-0-
2018	0	-0-
2019	0	-0-

## SUMMARY OF FINDINGS

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**Note:** The Agency's responses to issues raised in this report have been inserted immediately following the recommendations in the body of the report.



## **RESULTS OF AUDIT**

### **I. Contract Exceeded Agency Procurement Authority / Lacked Multi-Term Determination**

A contract for Kofax software support was issued June 26, 2017 for \$387,238. The agency's procurement authority for IT services is \$150,000. Per Reg. 19-445.2020 A. (4), "...the particular governmental body may be certified and assigned a dollar limit below which the certified governmental body may make direct agency procurements."

DMV entered into this two year contract without completing the required written determination justifying the use of a multi-term contract. SC Code Ann. § 11-35-2030(1) of the Procurement Code states in part "...Unless otherwise provided by law, a contract for supplies, services, or information technology must not be entered into for any period of more than one year unless approved in a manner prescribed by regulation of the board." Paragraph (2) of that same section requires a written determination justifying the use of a multi-term contract.

**Recommendation:** We recommend DMV develop and implement procedures to:

- ensure compliance with the agency's certification limits,
- prepare written determinations for the disposition of unauthorized procurements as required by the Code, and
- obtain the CPO's concurrence with these unauthorized acts in excess of the agency's certification limit, as required by Reg. 19-445.2015(A).

### **SCDMV Response**

SCDMV concurs with the finding and recommendation. Based on prior year expenditure amounts and the pre-solicitation estimate for this procurement, SCDMV thought this procurement was below the Agency's certification limit; however, the final award came in above our certification limit. Going forward, SCDMV will immediately notify the proper SFAA Procurement Authority if the procurement is above our certification level and obtain SFAA's concurrence prior to award.

### **II. Sole Source Procurements**

#### **A. Inappropriate Sole Source Procurements**

We tested sole source procurements made pursuant to SC Code Ann. § 11-35-1560 to determine the appropriateness of the procurement actions. We identified IT application analyst services, totaling \$312,270 over a two year period, that had been acquired without competition under the following POs:

## **RESULTS OF AUDIT**

<b>PO Date</b>	<b>Service Dates</b>	<b>\$ Amount</b>
7/11/17	7/1/17 – 6/30/18	168,270
7/27/18	7/1/18 – 9/30/18	34,000
9/21/18	10/1/18 – 6/30/19	110,000

The analyst had previously provided services under a state-term contract for several years. Although the justification referenced the difficulty in finding the required combination of skills and the analyst's familiarity with the agency's project, a qualified analyst could have been acquired through a competitive procurement.

Service dates for the POs spanned 24 consecutive months, with justifications provided for each of the three PO's. The sole source justification for the three month period under the second PO stated that "This sole source was done with the understanding that it would be for a total of one year with a permanent solution created for the work she does by the end of this time period." It further stated "...this sole source procurement is to be for an extra period of three months to allow them to finally bring this situation to a conclusion. The IT Department understands that this individual's services (name omitted) will not be procured again under a sole source procurement." Another sole source PO was issued September 21, 2018, for the subsequent nine months to continue these services.

SC Code Ann. § 11-35-1560(B) states in part, "...In cases of reasonable doubt, competition must be solicited. Any decision by a governmental body that a procurement be restricted to one potential vendor must be accompanied by an explanation as to why no other will be suitable or acceptable to meet the need."

**Recommendation:** We recommend DMV review and revise its procedures for sole source procurements to ensure that in cases of reasonable doubt, competition is obtained as required by SC Code Ann. § 11-35-1560.

### **SCDMV Response**

SCDMV concurs with the audit finding and recommendation. These procurements were made against the recommendation of the Agency Procurement Officer. Going forward, the Agency will require this type of procurement to be handled through the competitive solicitation process.

#### **B. No Sole Source Determinations Provided**

Required written determinations for sole sources were not provided for 18 transactions totaling \$1,201,856.

## **RESULTS OF AUDIT**

Per SC Code Ann. § 11-35-1560 (A), "A contract may be awarded for a supply, service, information technology, or construction item without competition if, under regulations promulgated by the board, the chief procurement officer, the head of the purchasing agency, or a designee of either officer, above the level of the procurement officer, determines in writing that there is only one source for the required supply, service, information technology, or construction item."

**Recommendation:** We recommend that DMV develop and implement procedures to ensure that sole source procurements are appropriately and adequately justified in writing as required by SC Code Ann. § 11-35-1560.

### **SCDMV Response**

Prior to the current Chief of Procurement (hired in 2017), the DMV would process sole source POs prior to completing all required internal documentation, including justifications, which led to this issue. The Agency Procurement Office has now implemented a process of completing all required internal documents, including justification forms, prior to the issuance of a purchase order. Supporting documentation is uploaded into the purchase order in the SCEIS system as well as kept in an organized, digital manner by the Agency Procurement Department.

#### **C. Sole Source Procurements Lacking Information Technology (IT) Plans**

There were 37 sole source procurements, each exceeding \$50,000, for a total of \$8,390,955, where IT Plan approvals were not available. IT procurements that exceed \$50,000 require an approval from the Division of Technology as required by SC Code Ann. § 1-11-190.

**Recommendation:** We recommend that DMV develop and implement procedures to ensure that all IT procurements that exceed \$50,000 are approved under an IT Plan prior to solicitation.

### **SCDMV Response**

The Agency IT Plan is the responsibility of the Agency's IT Department. Procurement has discussed the importance of updating the IT Plan on all IT purchases over a certain limit. Procurement now requires a copy of the IT Plan to be uploaded in the SCEIS shopping cart prior to processing the request.

#### **D. Sole Source Procurements Omitted or Reported Late on Quarterly Reporting**

DMV omitted 45 sole source procurements totaling \$3,380,127 from its statutorily required quarterly reports. Two sole source procurements, totaling \$613,110, were reported almost a year late.

## **RESULTS OF AUDIT**

SC Code Ann. § 11-35-2440 requires that governmental bodies submit quarterly, a record listing of all contracts made pursuant to § 11-35-1560 to the Chief Procurement Officers.

**Recommendation:** We recommend that DMV develop a documented process, to include management review and approval, to ensure that an accurate and complete list of all sole sources is reported quarterly in a timely manner.

### **SCDMV Response**

Due to high staff turnover, the Procurement quarterly reports were not filed. Multiple staff members have now been trained on how to submit the reports so this issue should be corrected moving forward.

## **E. Non-Compliance with Drug-Free Workplace Act**

Our review of Sole Source procurements valued at \$50,000 or more identified 20 procurements totaling \$3,281,708 for which the Drug-Free Workplace Act Certifications were not obtained. Sole Source procurements are subject to this law.

Section 44-107-30 of the Drug-Free Workplace Act states, “no person, other than an individual may receive a domestic grant or be awarded a domestic contract for the procurement of any goods, construction, or services for a stated or estimated value of \$50,000 or more from any state agency unless the person has certified to the using agency that it will provide a drug-free workplace...”

**Recommendation:** We recommend that DMV revise its procedures to ensure that solicitations greater than \$50,000 require contractors to certify that they will provide a drug-free workplace as required by the Drug-Free Workplace Act, and verifying that such certifications are obtained prior to commencement of work under the contract.

**Sole Source Procurement Recommendation:** We recommend that for a period of at least one year, all sole source procurements greater than \$10,000 conducted by DMV will require posting adequate public notice of intent to award without competition in South Carolina Business Opportunities, and compliance with all other requirements of SC Code Ann. § 11-35-1560.

### **SCDMV Response**

The Agency concurs with the finding and recommendation. The Drug-Free Workplace Act forms, for all sole source purchases exceeding fifty thousand dollars, will now be uploaded into the purchase order in the SCEIS system and kept in an organized, digital manner by the Procurement Office. In addition, the SCDMV will comply with the audit recommendation of advertising all sole source procurements for a period of one year. The Agency will do this from March 1, 2020 through March 2, 2021.

## **RESULTS OF AUDIT**

### **III. Unauthorized Procurements**

#### **A. Unauthorized Procurement Not Reported**

DMV procured a renewal of Palo Alto network services citing an expired state term contract. The old contract expired June 30, 2017, and a new contract was issued on August 11, 2018. DMV issued a PO, July 14, 2017, for \$43,200 during this 13 month gap in the state contract term. These services were available from other approved vendors under state term contracts in effect at the time.

This transaction was identified by MMO as an unauthorized procurement and brought to DMV's attention on August 29, 2017. MMO inquired whether the agency was going to handle the situation as a ratification or a termination of contract. This unauthorized procurement has not been reported as required, and no written determination was provided.

Per Regulation 19-445.2015(B), "All decisions to ratify or terminate a contract shall be supported by a written determination of appropriateness. In addition, the appropriate official shall prepare a written determination as to the facts and circumstances surrounding the act, what corrective action is being taken to prevent recurrence, and the action taken against the individual committing the act. Any governmental body shall submit quarterly a record listing all decisions required... to the chief procurement officers."

#### **SCDMV Response**

In the finding noted, the quote was obtained by the Agency's IT Department and was applied by the vendor to a terminated contract. The Agency has since implemented a process that requires all quotes, whether on contract or not, be obtained by the Procurement Office so contract terms, pricing, and expiration dates can be checked.

#### **B. Reported Unauthorized Procurement Lacks Documentation**

No written determination for the ratification of a PO dated January 22, 2015, for \$7,734 was provided. Per Regulation 19-445.2015(B), "all decisions to ratify or terminate a contract shall be supported by a written determination of appropriateness."

**Recommendation:** We recommend the agency require the disposition of the unauthorized procurement is adequately justified and documented, and submit quarterly records of unauthorized procurements as required by regulation.

#### **SCDMV Response**

The purchase noted in this finding was handled under the previous Chief of Procurement (prior to 2017). Current DMV Procurement Management will ensure any authorized procurement is

## **RESULTS OF AUDIT**

documented thoroughly and handled according to all regulations and procurement code requirements.

### **IV. Purchasing Cards**

#### **A. No P-Cards Audits Had Been Performed**

Periodic independent audits of P-Card activity had not been performed by the agency as required. Section III of the State P-Card Policy requires the agency to create a provision for audit or other independent review of all areas of program administration and transactions at least annually. DMV's P-Card Policy & Procedures/Cardholder Manual state in section 13, "Audit – The Department Liaison and the procurement card Coordinator will assist the SCDMV Internal Audit Department and the State of South Carolina in periodic audits of compliance..."

**Recommendation:** We recommend that DMV conduct independent audits of the P-Card program, at least annually, including program administration and transaction testing. We further recommend that these audits be performed by individuals not associated with the P-Card program.

#### **SCDMV Response**

The Agency has implemented a new P-Card Procedure that requires an annual internal audit by the Agency's Internal Auditing Department.

#### **B. No Procurement Card Training**

Currently, an applicant for a P-Card is provided DMV's P-Card Policy & Procedure/Cardholder Manual to read; however, there is no training or emphasis of key requirements nor an adequate knowledge assessment to reaffirm compliance. Section III.A.4. of the South Carolina Purchasing Card Policies and Procedures Manual, Level I states "Develop a mandatory Agency-specific training program for all prospective Cardholders and supervisors/approving officials prior to issuance of the P-Card."

**Recommendation:** We recommend that DMV ensure adequate training is provided to cardholders and supervisors/approving officials providing oversight responsibilities. The training should be documented and maintained as part of the cardholder's file.

#### **SCDMV Response**

The Agency has implemented a new P-Card Procedure that requires the State's P-Card Policy Level I training for all P-card holders and liaisons. Training has already been conducted and documented and will be provided to all new P-card holders/liaisons going forward.

## **RESULTS OF AUDIT**

### **C. Reviews Performed by the Liaisons Should be Documented**

The Liaison performs a list of reviews described in the "Department Liaisons Responsibilities" section of DMV's P-Card manual. Currently there is no documentation of the review and reconciliation of the monthly bank statements. The review should be documented by signing and dating the statement to ensure effective reviews are consistently performed.

**Recommendation:** We recommend that the P-Card manual be updated to define the review process and require P-Card Liaisons to document their review by signing and dating the statement.

#### **SCDMV Response**

DMV concurs with the finding and recommendation. While the DMV believes that the liaisons were performing their required reviews, they were not documented. DMV has implemented a new P-Card Procedure that requires these reviews to be documented as required by the State's P-Card Policy.

### **D. Inconsistent Approval of P-Card Statements and Receipts**

During our review, we noted 12 instances in which department approval of the statements was being provided by email instead of an actual signature and date on the statements. The State P-Card Policy requires, and the "Department Liaison Responsibilities" section of DMV's P-Card Policy & Procedures Manual states "Ensure the monthly billing statements are signed by the employee and department head or manager. Must be original signatures."

We noted four instances where the statements were not signed off by the cardholder, and two instances where the receipts lacked the cardholders' signatures.

**Recommendation:** We recommend that DMV follow their policy that department head or manager approvals must be original signatures on the statements.

#### **SCDMV Response**

Starting in the March/April 2020 timeframe, DMV will begin a new P-Card Procedure that requires the Agency to use the "BOA Works" online application. The application requires the approval of all transactions by the P-card holder, the P-card holder's liaison, and the system administrator. In addition, all receipts are required to be signed by the P-card holder and must be uploaded into the "BOA Works" online application for each transaction. Each P-card holder's statement is also required to be approved by the P-card holder, the P-card holder's liaison and the P-card holder's supervisor.

## **RESULTS OF AUDIT**

### **V. Small and Minority Business Utilization Plans and Reports Not Submitted**

Annual utilization plans and quarterly progress reports were not submitted to the SMBCC during the last two (FY's 2018 and 2019) fiscal years of the audit period.

Section 11-35-5240(2) of the Code states that MBE utilization plans must be submitted to the SMBCC for approval no later than July thirtieth, annually, and that progress reports be submitted to the SMBCC no later than thirty days after the end of each fiscal quarter.

**Recommendation:** We recommend that DMV develop and implement procedures to comply with SC Code Ann. § 11-35-5240(2) by submitting annual utilization plans and quarterly progress reports to the SMBCC in a timely manner.

#### **SCDMV Response**

Due to Agency turnover, this requirement was overlooked. The Chief of Procurement and his staff have re-established communication with the Small and Minority Business Office and DMV has begun submitted the required reports.



## CERTIFICATION RECOMMENDATION

We believe corrective action based on the recommendations in this report will make the DMV's internal procurement operations consistent with the South Carolina Consolidated Procurement Code and ensuing regulations.

As provided in SC Code Ann. § 11-35-1210, we recommend that the DMV's procurement authority to make direct agency procurements be re-certified for three years up to the following limits:

### PROCUREMENT AREAS

### RECOMMENDED CERTIFICATION LIMITS

Supplies and Services<sup>1</sup>

\*\$ 350,000 per commitment

Information Technology<sup>2</sup>

\*\$ 150,000 per commitment

\*Total potential purchase commitment whether single year or multi-term contracts are used.

  
Crawford Milling, CPA, CGMA  
Director of Audit & Certification

<sup>1</sup> Supplies and Services includes non-IT consulting services

<sup>2</sup> Information Technology includes consulting services for any aspect of information technology, systems and networks

AGENCY: Executive Director

**SUBJECT:** Revenue Bonds

The required reviews on the following proposals to issue revenue bonds has been completed with satisfactory results. The project require approval under State law.

- |    |  |
|----|--|
| a. | Issuing Authority: State Housing Finance and Development Authority<br>Amount of Issue: \$89,500,000 Multifamily Housing Revenue Bonds<br>Allocation Needed: \$89,500,000 (carryforward to be used)<br>Name of Project: Bridgeview Village Apartments<br>Employment Impact: N/A<br>Project Description: acquisition and rehabilitation of a 300-unit multifamily affordable housing development located in the City of Charleston<br>Bond Counsel: Emily S. Luther, Parker Poe Adams & Bernstein LLP  |
| b. | Issuing Authority: State Housing Finance and Development Authority<br>Amount of Issue: N/E \$21,850,000 Multifamily Housing Revenue Bonds<br>Allocation Needed: -0-<br>Name of Project: Broad River Village Apartments<br>Employment Impact: N/A<br>Project Description: finance acquisition, construction and rehabilitation of 160-unit multifamily rental housing project in Beaufort County<br>Bond Counsel: Michael J. Seezen, Burr Forman McNair   |
| c. | Issuing Authority: State Housing Finance and Development Authority<br>Amount of Issue: \$11,000,000 Multifamily Housing Revenue Bonds<br>Allocation Needed: \$11,000,000 (carryforward to be used)<br>Name of Project: Waters at Ribaut<br>Employment Impact: N/A<br>Project Description: funding a mortgage loan to Waters at Ribaut, LP, to provide a portion of the financing needed for the acquisition and rehabilitation of a 60-unit multifamily affordable housing development located in the City of Beaufort, known as Waters at Ribaut<br>Bond Counsel: Emily S. Luther, Parker Poe Adams & Bernstein LLP |

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AGENCY: Executive Director

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SUBJECT: Revenue Bonds -- Continued

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d.            Issuing Authority:    Florence County  
              Amount of Issue:    \$86,970,000 Refunding Hospital Revenue Bonds  
              Allocation Needed:   -0-  
              Name of Project:     Refunding Hospital Revenue Bonds (McLeod Regional  
   Medical Center Project) Series 2020A  
              Employment Impact: n/a  
              Project Description: refunding of \$86,970,000 principal amount of Florence  
   County Hospital Revenue Bonds (McLeod Regional  
   Medical Center Project) Series 2020A  
              Bond Counsel:       Allen K. Robertson, Robinson Bradstreet

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AUTHORITY ACTION REQUESTED:

Adopt the resolutions approving the referenced proposals to issue revenue bonds.

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ATTACHMENTS:

Resolutions with attachments



**Emily S. Luther**

**Partner**

Telephone: 803.253.6841

Direct Fax: 803.255.8017

[emilyluther@parkerpoe.com](mailto:emilyluther@parkerpoe.com)

Atlanta, GA  
Charleston, SC  
Charlotte, NC  
Columbia, SC  
Greenville, SC  
Raleigh, NC  
Spartanburg, SC  
Washington, DC

April 3, 2020

**VIA EMAIL**

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

**Re:**

***Not Exceeding \$89,500,000  
South Carolina State Housing Finance and Development Authority  
Multifamily Housing Revenue Bonds  
(Bridgeview Village Apartments)  
Series 2020***

Dear Delbert:

The South Carolina State Housing Finance and Development Authority ("Authority") proposes to issue its Multifamily Housing Revenue Bonds (Bridgeview Village Apartments) Series 2020 ("Bonds") in an aggregate principal amount of not exceeding \$89,500,000. On behalf of the Authority, I am writing to request approval of the Bonds by the State Fiscal Accountability Authority ("SFAA") at its meeting scheduled for May 12, 2020. I have enclosed the following documents in support of this request:

1. Completed SFAA transmittal form;
2. Preliminary Resolution adopted by the Board of Commissioners of the Authority on March 30, 2020;
3. Petition of the Authority to the SFAA;
4. A form of the approving Resolution to be considered for adoption by the SFAA on May 12, 2020;
5. A form of a Notice of Action;
6. A form of bond counsel's opinion letter;
7. An organizational chart of the Sponsor (as defined herein); and
8. Biographies of each of the principals of the Sponsor.

Delbert H. Singleton, Jr.  
April 3, 2020  
Page 2

A New Debt Information Form with respect to the Bonds will be submitted to the Office of the State Treasurer under separate cover, and I will provide you with a copy.

The Authority anticipates that it will use the proceeds of the Bonds to make a mortgage loan to Standard Bridgeview Venture LP, a South Carolina limited partnership ("Sponsor"), for the acquisition, rehabilitation and equipping of a 300-unit multifamily affordable housing development located in the City of Charleston, South Carolina ("Development"). The Development will be known as Bridgeview Village Apartments.

In the Petition, the Authority has requested the SFAA delegate to the State Treasurer the power to grant, on behalf of the SFAA, the final approval for the issuance of the Bonds following receipt by the State Treasurer of information with respect to the final details of the Bonds (including the size, date, maturity schedule, and repayment provisions), the annual debt service requirements of the Authority on all of its outstanding bonds and notes, and the method to be employed in selling the Bonds. Pursuant to Section 31-13-220 of the Act, this information will be provided to the State Treasurer, as the designee of the SFAA, prior to the issuance of the Note.

Finally, the Authority and the Sponsor have enclosed with this submission certain preliminary schedules for consideration by the SFAA showing (A) the current annual debt service requirements on all outstanding notes and bonds of the Authority, and (B) the expected amount and source of revenues available for the payment of the debt service requirements of the Bonds.

Thank you for your assistance. We recognize the present social distancing conditions mandated by the novel coronavirus could affect the SFAA's meeting schedule and procedures. We will monitor the SFAA's website for any changes. Please do not hesitate to contact me if you have any questions or need any additional information.

Sincerely,



Emily S. Luther

Enclosures: stated

cc via email w/encls: Tracey Easton, General Counsel; Director of Legal & Human Resources  
Kevin Kibler, Senior Assistant State Treasurer  
Robert Macdonald, Assistant State Treasurer  
Laurie Fuller, Office of the Executive Director, SFAA

# TRANSMITTAL FORM, REVENUE BONDS

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

**DATE:** April 3, 2020

**Submitted for SFAA Meeting on:**

May 12, 2020

**FROM:**

Parker Poe Adams & Bernstein LLP  
Name of Law Firm

1221 Main Street, Suite 1100  
Street Address/Box Number

Columbia, South Carolina 29201  
City, State, Zip Code

803.255.8000  
Area Code/Telephone Number

**RE:**

\$89,500,000  
Amount of Issue

South Carolina State Housing Finance and  
Development Authority  
Name of Issuing Authority

Multifamily Housing Revenue Bonds  
Type of Bonds or Notes

on or around August 30, 2020  
Projected Issue Date

**Project Name:** Bridgeview Village Apartments

**Project Description:** See Attachment A

**Employment as a result of the project:** N/A

**Ceiling Allocation Required**  
X Yes (\$89,500,000)    No  
Amount

**Refunding Involved**  
   Yes (\$      ) X No  
Amount

**Project Approved Previously**  
   Yes (\$      ) X No  
Amount

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

*(ALL documents required for state law approval; A and C only for ceiling allocation only.)*

- A.   X   Petition
- B.   N/A   Resolution or Ordinance
- C.   X   Inducement Resolution or comparable preliminary approval
- D.   N/A   Department of Health and Environmental Control Certificate *if required*
- E.   X   State Fiscal Accountability Authority Resolution and Public Notice *(original)*

*Plus   1   copies for certification and return to bond counsel*

F.   X   Draft bond counsel opinion letter

G.   N/A   Processing Fee

Amount: \$                     

Payor:                     

Check No:                     

Bond Counsel: Parker Poe Adams & Bernstein LLP  
Typed Name of Bond Counsel

By: 

## **ATTACHMENT A TO TRANSMITTAL FORM**

The South Carolina State Housing and Finance and Development Authority (“Housing Authority”), has proposed to issue its Multifamily Housing Revenue Bonds (Bridgeview Village Apartments) Series 2020 (“Bonds”), in the aggregate principal amount of not exceeding \$89,500,000 for the purpose of funding a mortgage loan to Standard Bridgeview Venture, LP, a South Carolina limited partnership (the “Sponsor”), to provide a portion of the financing needed for the acquisition and rehabilitation of a 300-unit multifamily affordable housing development located in the City of Charleston, South Carolina, known as Bridgeview Village Apartments (the “Project”). The Project consists of 26 building on 22 acres and has one-, two- and three-bedroom dwelling units. The Project is subject to two project-based Section 8 Housing Assistance Payment (HAP) Contracts, which cover 100% of the units. The Project is uniquely located on the Upper Peninsula area of Charleston, which is one of the main employment hubs in the City. Additionally, due to strict development guidelines implemented by the City of Charleston, the Project is one of the few affordable housing opportunities of its kind within the area.

The Sponsor has represented to the Housing Authority that it will spend the proceeds of the Bonds to acquire the Project and conduct extensive rehabilitation to the interior of the units, common spaces and exterior of the Project. Interior upgrades will include new paint as well as improvements to or replacement of the flooring, lighting, fixtures, appliances, plumbing, cabinets and countertops in each unit. Exterior improvements will include roof and exterior façade repair, new windows and preservation or improvements to the landscaping and parking. The Sponsor will also construct a new amenity center for the benefit of the residents.

The Sponsor does not anticipate that the rehabilitation will require off-site relocation of any residents but has budgeted funds to be used for temporary on-site relocation during portions of the interior renovations.

## A RESOLUTION

### **MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$89,500,000 AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY HOUSING REVENUE BONDS (BRIDGEVIEW VILLAGE APARTMENTS) OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY AND OTHER MATTERS RELATED THERETO.**

**WHEREAS**, pursuant to the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977 (codified at Sections 31-13-10 to 31-13-340, inclusive, of the Code of Laws of South Carolina 1976), as amended, (the "**Act**"), the South Carolina State Housing Finance and Development Authority (the "**Authority**"), hereby determines that sufficient persons or families of either beneficiary class (as defined by the Act) (the "**Beneficiary Classes**") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need therefore;

**WHEREAS**, on the making of such determination, the Authority may issue bonds or notes, subject to the conditions set forth in the Act, for the purpose of, among other things, obtaining funds to make (1) construction or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction or rehabilitation of residential housing for rental or purchase by the Beneficiary Classes;

**WHEREAS**, prior to issuing its bonds or notes, the Authority must obtain the approval of the South Carolina State Fiscal Accountability Authority (the "**State Board**"); and

**WHEREAS**, Standard Bridgeview Venture LP, a limited partnership duly organized under the laws of the State of South Carolina (the "**Sponsor**"), has applied to and requested the Authority to assist the Sponsor by issuing the Authority's bonds to be known as Multifamily Housing Revenue Bonds (Bridgeview Village Apartments) in one or more series, taxable or tax-exempt, in the aggregate principal amount of not exceeding \$89,500,000 for the purpose of making a loan (the "**Mortgage Loan**") to the Sponsor for the acquisition, rehabilitation and equipping of a 300-unit apartment development located in the City of Charleston, Charleston County, South Carolina, to be known as Bridgeview Village Apartments (the "**Project**").

### **NOW, THEREFORE, BE IT RESOLVED BY THE BOND COMMITTEE OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED:**

Section 1.      Adoption of Premises. Each statement of fact set forth in the preamble hereto has been carefully examined and has been found to be in all respects true and correct.

Section 2.      Undertakings of the Authority. In the event the Sponsor meets the requirements set forth herein and in the Act and in order to provide the moneys required to finance the Mortgage Loan, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection therewith, the Authority will undertake to issue its bonds, on a taxable or tax-exempt basis, to be designated as "South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Bridgeview Village Apartments)" (with any appropriate series or subseries designations) in the aggregate principal amount of not exceeding \$89,500,000 (the "**Bonds**").



Any obligation of the Authority hereunder is subject to (a) the requirements that (i) the Project shall have received such local approval as is required under the Act, if any, (ii) the Authority approve the items which may be included in any required charges (rent plus any other mandatory payments) to occupants of the Project, and (iii) the Bonds be approved by the State Board; and (b) the right of the Authority in its sole discretion, to rescind this Resolution and to elect not to issue such Bonds at some future date.

Section 3. Obligation of Sponsor. If the Project proceeds as contemplated, the Sponsor agrees as follows:

(a) to make its Project available for occupancy by persons in the Beneficiary Classes for such period and subject to such conditions as the Authority may determine;

(b) to provide such security for any of its obligations or mortgages to the Authority, or of the obligations of any other person to the Authority, as the Authority may, in its sole discretion request which such security may include federal mortgage insurance or federal agreements to make payments adequate to pay amounts due by such Sponsor or such other person;

(c) to enter into a mortgage loan agreements with respect to its Project or amendments to its existing mortgage loan documents with respect to its Project, if any, on such terms and conditions as the Authority may deem necessary or desirable;

(d) to pay all costs and expenses incurred by the Authority, including its reasonable counsel fees, in furtherance of the undertakings of the Authority hereunder, regardless of whether any bonds or notes are issued with respect to its Project;

(e) to provide the Authority with such information and material with respect to its Project, including financial statements and information, reports, tests, surveys, appraisals, plans, specifications, drawings, occupancy rates or rent rolls, studies or feasibility studies, legal opinions, descriptions, and access for inspection of its Project or any other such items as may be requested by the Authority; and

(f) to enter into such agreements including such disclosure agreements as may be required to meet the requirements of Rule 15c2-12(b)(5) promulgated by the U.S. Securities and Exchange Commission, execute such documents and provide such proofs or evidence as the Authority may, in its sole discretion, request in connection with its undertakings hereunder.

Section 4. Termination. The Authority or the Sponsor may elect not to proceed with the issuance of the Bonds. The Authority shall not be obligated hereby to the Sponsor or any other person by virtue of the adoption of this resolution. Neither the Sponsor nor any other person shall have any rights hereunder and the Authority shall not be liable in any way to the Sponsor or any other person for any decision it makes not to proceed hereunder regardless of any action taken by the Sponsor or such other person whether known or unknown to the Authority.

Section 5. Sale of Bonds; Purchase Contract. The Chairman and the Executive Director of the Authority are hereby authorized to sell the Bonds to a purchaser to be designated by the Executive Director (the "**Purchaser**") pursuant to the terms and conditions of a term sheet, purchase contract or funding agreement which shall contain the terms and conditions employed by the Authority with respect to the Authority for the sale of its notes and bonds or as are approved by the Executive Director on receipt of advice from counsel to the Authority. The authority hereby conferred may be exercised as long as the interest rate of the Bonds does not exceed the limitations or contravene the conditions as described in the Act and (i) the Bonds are rated in one of the three highest rating categories (without regard to subcategories) by either Moody's Investors Services, Inc. or S&P Global Ratings or (ii) the Bonds are to be purchased directly for investment. The purchase price of the Bonds shall be determined by the Chairman and the Executive Director but in no event shall be less than 97.5 % of par plus accrued interest on the Bonds from its date to the date of delivery thereof.

Section 6.     No Waiver of Existing Rights of Authority. Notwithstanding anything herein to the contrary, nothing in this resolution shall be construed as a waiver of any default under an existing mortgage loan or a modification of any rights of the Authority, and no such waiver or modification shall be effected except by the express written agreement of the Authority delivered subsequent to the date hereof.

Section 7.     Petition to State Board. The Chairman, the Executive Director, counsel to the Authority, or any of them, working with bond counsel are authorized and directed to prepare and present to the State Board the request prescribed by Section 31-13-220 of the Act, the form of which has been provided to the Authority, that among other things, sets forth the pertinent terms and provisions relating to the Bonds, determined as provided in this Resolution, and the outstanding bonds and notes of the Authority.

Section 8.     Designation of Fiduciaries. The Chairman and the Executive Director are hereby authorized and directed to designate the Trustee and any paying agent and registrar under the financing documents to be entered into with respect to the Bonds.

Section 9.     General Authority. The Commissioners of the Authority and its appropriate officers, attorneys, agents, and employees are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual, and complete performance of all the terms, covenants, and purposes contained in the Bonds and this Resolution, and each such Commissioner, officer, attorney, and employee is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

Section 10.    Expiration. This Resolution, if not renewed, will expire on a date which is twelve (12) months from the date of its adoption by the Bond Committee.

Section 11.    Miscellaneous. All orders and resolutions or any parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This Resolution shall take effect and be in full force from and upon its adoption by the Bond Committee.

Section 12.    Non-Transferable. This Resolution may not be transferred by the Sponsor. No attempted sale or other transfer of this Resolution shall be valid or binding upon the Authority.

**STATE OF SOUTH CAROLINA**

**COUNTY OF LEXINGTON**

I, the undersigned Secretary of the Board of Commissioners (the "*Board of Commissioners*") of the South Carolina State Housing Finance and Development Authority (the "*Authority*") do hereby certify that I am the duly qualified and acting Secretary to the Board of Commissioners and as such further certify that attached hereto is a true and correct copy of the Resolution adopted by the Bond Committee of the Board of Commissioners of the Authority at a meeting duly called and held on the 30th day of March 2020, at which meeting a quorum was present and acting throughout, and that said Resolution has not been modified, amended, or repealed and is in full force and effect on the date hereof.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the Authority this 1st day of April 2020.

**SOUTH CAROLINA STATE HOUSING FINANCE  
AND DEVELOPMENT AUTHORITY**

**By:**

  
\_\_\_\_\_  
Bonita Shropshire, Secretary  
Board of Commissioners

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

PETITION

TO THE STATE FISCAL ACCOUNTABILITY  
AUTHORITY OF SOUTH CAROLINA

BRIDGEVIEW VILLAGE  
APARTMENTS  
PROJECT

The South Carolina State Housing Finance and Development Authority (the “*Authority*”) submits this petition to the State Fiscal Accountability Authority of South Carolina (the “*SFAA*”) pursuant to the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended (the “*Act*”) and respectfully shows:

1. The Act, among other things, provides that whenever the Authority has determined by resolution that sufficient persons and families of either beneficiary class (as defined in the Act) (the “*Beneficiary Classes*”) are unable to pay the amounts at which private enterprise is providing decent, safe and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe and sanitary housing will become available to members of the Beneficiary Classes in need therefore, then, on receipt of approval from the SFAA, the Authority is authorized, subject to the conditions set forth in the Act, to issue from time to time its notes and bonds for the purpose of, among other things, obtaining funds with which to make (a) construction loans secured by mortgages of housing sponsors (as defined in the Act), or of persons or families of the Beneficiary Classes; and (b) permanent mortgage loans to housing sponsors who agree to and are required to provide for construction or rehabilitation of residential housing (as defined in the Act) for rental by persons or families the Beneficiary Classes;

2. Standard Bridgeview Venture LP (the “*Sponsor*”), has applied to and requested the Authority to assist the Sponsor by issuing the Authority’s bonds, anticipated to be designated as Multifamily Housing Revenue Bonds (Bridgeview Village Apartments), in one or more taxable or tax-exempt series (“*Bonds*”), in the aggregate principal amount of not exceeding \$89,500,000 for the acquisition, rehabilitation and equipping of a 300-unit multifamily development located in the City of Charleston, Charleston County, South Carolina, to be known as Bridgeview Village Apartments (the “*Project*”).

3. The Authority has preliminarily approved the issuance of the Bonds pursuant to a resolution adopted on March 30, 2020, to provide funds to make a mortgage loan to the Sponsor for the acquisition, rehabilitation and equipping of the Project, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection with the issuance of the Bonds.

4. The Authority will adopt a final resolution (the “*Resolution*”) authorizing the issuance and sale of the Bonds and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Bonds. The Authority will take steps necessary to comply with the requirements of Section 142 of the Internal Revenue Code of 1986, as amended.

5. The net interest rate to be borne by the Bonds has not been determined. The interest rate will not exceed the limitations or contravene the conditions described in the Act.

6. The trustee for the issue and the size, date, maturity schedule, payment dates and repayment provisions with respect to the Bonds shall be finally determined prior to the date the Bonds are issued. As soon as these matters are finally determined, a precise schedule thereof shall be presented to the SFAA or its designee as provided by the Act.

7. The Authority requests that the SFAA delegate to the State Treasurer the ability to approve the interest rate on the Bonds and to grant on behalf of the SFAA final approval for the issuance of the Bonds. Prior to the issuance of the Bonds, the Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (a) the principal amount of the Bonds to be issued;
- (b) the maturity schedule of the Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said notes;
- (e) the method to be employed in selling the Bonds.

8. The Bonds will be a limited a special obligation of the Authority secured by and payable solely from monies, income and receipts of the Authority pledged under the Resolution with respect thereto.

9. A schedule showing the annual debt service requirements of all outstanding bonds and notes of the Authority and source of revenues available for the payment of such debt service requirements has previously been provided to the SFAA.

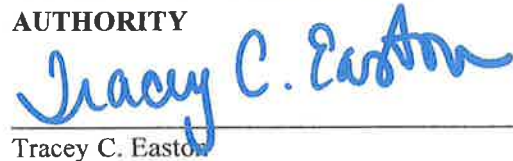
10. The Authority will produce any further information with respect to the Bonds required by the SFAA.

*[Remainder of page intentionally left blank. Signature page follows.]*

**WHEREFORE**, on the basis of the foregoing, the Authority prays preliminary approval by the SFAA of the issuance of the Bonds in the aggregate principal amount set forth above for the purpose of financing the acquisition, rehabilitation and equipping of the Project, establishing necessary reserve funds, and and paying the costs and expenses incurred in connection with the issuance of the Bonds.

Respectfully submitted,

**SOUTH CAROLINA STATE HOUSING  
FINANCE AND DEVELOPMENT  
AUTHORITY**



---

Tracey C. Easton  
General Counsel

April 2, 2020

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH  
CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT  
AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE  
BONDS (BRIDGEVIEW VILLAGE APARTMENTS) SERIES 2020**

**WHEREAS**, it is provided by the South Carolina State Housing Finance and Development Authority Act of 1977, as amended (the “Act”), that, upon approval of the State Fiscal Accountability Authority of South Carolina (the “SFAA”), the South Carolina State Housing Finance and Development Authority (the “Authority”) may issue from time to time bonds or notes for the purpose of obtaining funds with which to make (1) construction or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction or rehabilitation of residential housing for rental to persons or families of either Beneficiary Class, as defined in the Act; however, with respect to any particular issue of notes or bonds, one of the following conditions must be met: (a) if there is a public distribution of the notes or bonds, the issue must be rated by one or more of the national rating agencies, and one of more of the additional following conditions must be met: (i) there must be in effect a Federal program providing assistance in repayment of such loans; (ii) the proceeds must be used to acquire either Federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; (iii) the payment of the notes or bonds to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the SFAA; or (b) if the notes or bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional investors, or to other non-registered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina, 1976, as amended, the documents pursuant to which the notes or bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its right with respect to any collateral or security pledged to secure the notes or bonds; and

**WHEREAS**, Standard Bridgeview Venture LP, a South Carolina limited partnership (the “Sponsor”), has requested the Authority to assist it in an undertaking to acquire and rehabilitate a multifamily affordable housing development, consisting of 300 units, located in the City of Charleston, South Carolina (the “Project”); and

**WHEREAS**, in order to provide money to acquire and rehabilitate the Project, the Authority proposes to issue its revenue bonds to be known as South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Bridgeview Village Apartments) Series 2020 in an aggregate principal amount of not exceeding \$89,500,000 (the “Bonds”); and

**WHEREAS**, the Authority has presented to the SFAA its Petition dated as of April 2, 2020 (the “Petition”), which sets forth certain information with respect to the Bonds.

**NOW, THEREFORE, BE IT RESOLVED BY THE STATE FISCAL ACCOUNTABILITY AUTHORITY IN MEETING DULY ASSEMBLED:**

Section 1. Approval is granted to the undertaking of the Authority as outlined in the Petition.

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the SFAA to the execution and delivery by the Authority of its Bonds to be designated as the South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Bridgeview

Village Apartments), or such other designation as the Board of Commissioners of the Authority may determine, in the principal amount of not exceeding \$89,500,000.

Section 3. The approval of the SFAA is conditioned on the following:

(a) The Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-3-220, to wit:

- (i) the principal amount of the Bonds to be issued;
- (ii) the maturity schedule of the Bonds to be issued;
- (iii) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (iv) a schedule showing the amount and source of revenues available for the payment of debt service on the notes and bonds referenced in item (iii); and
- (v) the method to be employed in selling the Bonds;

(b) The approval of the State Treasurer of the form and substance of the Bonds and of such documents as he deems necessary therefore;

(c) The State Treasurer shall find and determine that the funds estimated to be available for the repayment of the Authority's notes and bonds, including the Bonds, will be sufficient to provide for the payment of the principal and interest thereon;

(d) The documents pursuant to which the Bonds are being issued shall provide that all expenses, costs, and fees of the Authority in connection with the issuance of the Bonds, including legal fees, printing, and all disbursements shall be paid by the Sponsor; and

(e) To the extent required, the final approval by the Governor as the elected official of the State of South Carolina for purposes of Section 142(f) of the Internal Revenue Code of 1986, as amended.

Section 4. This Resolution shall take effect immediately upon its adoption.



**NOTICE OF ACTION OF THE  
STATE FISCAL ACCOUNTABILITY AUTHORITY**

Notice is given that following the filing of a Petition by the South Carolina State Housing Finance and Development Authority ("Housing Authority") to the State Fiscal Accountability Authority of South Carolina ("State Authority"), approval has been given by the State Authority to the following undertaking ("Undertaking") (including changes in any details of the Undertaking as finally consummated that do not materially affect the Undertaking), viz.:

The Housing Authority will issue its not exceeding \$89,500,000 Multifamily Housing Revenue Bonds (Bridgeview Village Apartments) Series 2020, in one or more series ("Bonds"), pursuant to Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended ("Act"). The Housing Authority will use the proceeds of the Bonds to fund a mortgage loan to Standard Bridgeview Venture LP, a South Carolina limited partnership ("Borrower"), to (i) finance the costs of acquiring, rehabilitating and equipping a 300-unit multifamily housing development to be known as Bridgeview Village Apartments located in the City of Charleston, South Carolina ("Project"), (ii) establish necessary reserve funds and (iii) provide for certain fees and expenses which may be incurred in connection with the issuance of the Bonds.

The Bonds will be payable solely from the amounts to be paid to the Housing Authority by the Borrower pursuant to a loan agreement between the Housing Authority and the Borrower. The Bonds are not an indebtedness of the State of South Carolina ("State").

The Bonds will be issued pursuant to the Act and a Resolution to be adopted by the Board of Commissioners of the Housing Authority at a meeting of the Board of Commissioners which is expected to be held on or around May 20, 2020. The Bonds will not be (i) secured by, or in any way entitled to, a pledge of the full faith, credit, or taxing power of the Housing Authority or the State, (ii) an indebtedness of the Housing Authority or the State within the meaning of any State constitutional provision or statutory limitation, other than indebtedness payable solely from a revenue-producing project or special source that does not include revenues from any tax or license, (iii) a pecuniary liability of the Housing Authority or the State or (iv) a charge against the general credit or taxing power of the Housing Authority or the State.

Notice is further given that any interested party may, within 20 days after the date of publication of this Notice, but not after, challenge the validity of the State Authority's action in approving the Undertaking by action *de novo* instituted in the Court of Common Pleas for Charleston County.

STATE FISCAL ACCOUNTABILITY AUTHORITY  
OF SOUTH CAROLINA

By: Delbert H. Singleton, Jr., Secretary

[ ], 2020

South Carolina State Housing Finance  
and Development Authority  
Columbia, South Carolina

Re:

***[\$89,500,000]***  
***South Carolina State Housing Finance and Development Authority***  
***Multifamily Housing Revenue Bonds***  
***(Bridgeview Village Apartments)***  
***Series 2020***

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the South Carolina State Housing Finance and Development Authority (“***Issuer***”) of its [\$89,500,000] Multifamily Housing Revenue Bonds (Bridgeview Village Apartments) Series 2020 (“***Bonds***”).

The Bonds recite that they are issued under and pursuant to Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended (“***Act***”). The Bonds are being issued under a Trust Indenture, dated as of [ ], 2020 (“***Indenture***”), between the Issuer and [ ], a [national banking corporation], as trustee (“***Trustee***”). Capitalized terms not defined herein shall have the same meaning as set forth in the Indenture.

The Bonds are initially issued as a single certificate registered in the name of Cede & Co. in the aggregate principal amount of [\$89,500,000] and are dated [ ], 2020. The Bonds bear interest from the date thereof payable in accordance with terms provided therein. The Bonds mature on [ ]. The Bonds are subject to redemption upon the terms and conditions and at the prices set forth therein. The Bonds are also subject to special mandatory purchase upon the terms and conditions set forth therein.

The Bonds are being issued for the primary purpose of providing funds for the making of a mortgage loan (“***Loan***”) from the Issuer to Standard Bridgeview Venture LP (“***Borrower***”), pursuant to that certain Loan Agreement, dated as of [ ], 2020 (“***Loan Agreement***”), between the Issuer and the Borrower, for the acquisition, rehabilitation and equipping of a 300-unit multifamily affordable housing development known as Bridgeview Village Apartments and located in the City of Charleston, South Carolina.

In connection with the foregoing, we have examined (i) the Constitution of the State of South Carolina, 1895, as amended, the Act and other relevant statutes of the State of South Carolina (“***State***”); (ii) certified copies of the resolution of the Board of Commissioners of the Issuer authorizing the issuance of the Bonds on May [ ], 2020 (“***Resolution***”); (iii) certified copies of the proceedings of the State Fiscal Accountability Authority (“***Authority***”) relating to the Bonds, including a resolution adopted by the Authority on May [ ], 2020; (iv) the Loan Agreement; (v) the Indenture; (vi) the Agreement as to Restrictive Covenants, dated [ ], 2020 (“***Regulatory Agreement***”), between the Issuer and the Borrower; (vii) the Tax Certificate, dated [ ], 2020 (“***Tax Certificate***”), among the Issuer, the Borrower and the Trustee (collectively, the Resolution, the Indenture, the Loan Agreement, the Regulatory Agreement, and the Tax Certificate, are referred to herein as the “***Bond Documents***”); and (viii) such other records and documents as we have considered necessary or appropriate in rendering the following opinions. We have also examined one fully executed Bond.

As to questions of fact material to the opinions hereinafter expressed, we have relied upon representations of the Issuer and the Borrower contained in the Bond Documents, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the Issuer and the Borrower, without undertaking to verify the same by independent investigation. We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, and documents and proceedings.

In giving the opinions hereinafter expressed, we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State, and such opinions are limited to the federal laws of the United States of America and the laws of the State.

Based upon the foregoing, it is our opinion under existing law that:

1. The Issuer is a duly created and validly existing public body corporate and politic and an agency of the State with full power and authority to issue the Bonds, to make the Loan with the proceeds of the Bonds, and to perform all of its obligations under the Bond Documents.
2. The Issuer has the right, power and authority under the Act to adopt the Resolution and execute the Bond Documents and each has been duly and lawfully authorized, executed and delivered by the Issuer, and is valid and binding upon the Issuer and enforceable in accordance with its terms.
3. The Indenture creates a valid pledge of the Trust Estate for payment of the Bonds pursuant to the terms of the Indenture.
4. The Bonds have been duly authorized, executed and delivered and constitute legal valid and binding special obligations of the Issuer enforceable in accordance with their terms and the terms of the Indenture. The Bonds are secured in the manner and the extent prescribed by the Indenture.
5. The Bonds are not a debt or grant or loan of credit of the State or any political subdivision thereof and neither the State nor any political subdivision thereof is liable thereon, nor shall the Bonds be payable out of any funds other than those of the Issuer pledged therefor under the Indenture.
6. Interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended ("*Code*"). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer and the Borrower have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

7. The Bonds and the interest thereon are presently exempt from all State, county, municipal, school district, and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except for inheritance, estate and transfer taxes, but the interest on the Bonds may be includable for certain franchise fees or taxes.

8. The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended.

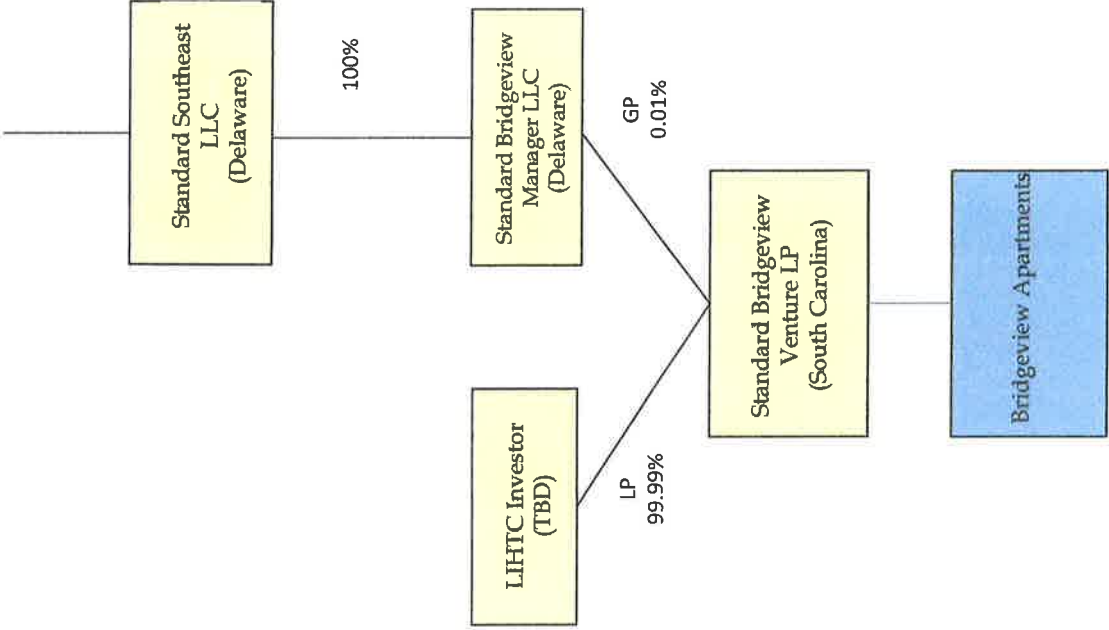
It is understood that the enforceability of the Indenture and the Bonds may be subject to judicial discretion, the exercise of the sovereign police powers of the State or the constitutional powers of the United States of America and valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally.

Except as set forth above, we express no opinion in connection with the issuance and sale of the Bonds. The opinions expressed above are rendered solely for the benefit of the addressees hereof in connection with the issuance of the Bonds. These opinions 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 opinions expressed above for events occurring or coming to our attention after the date of this letter.

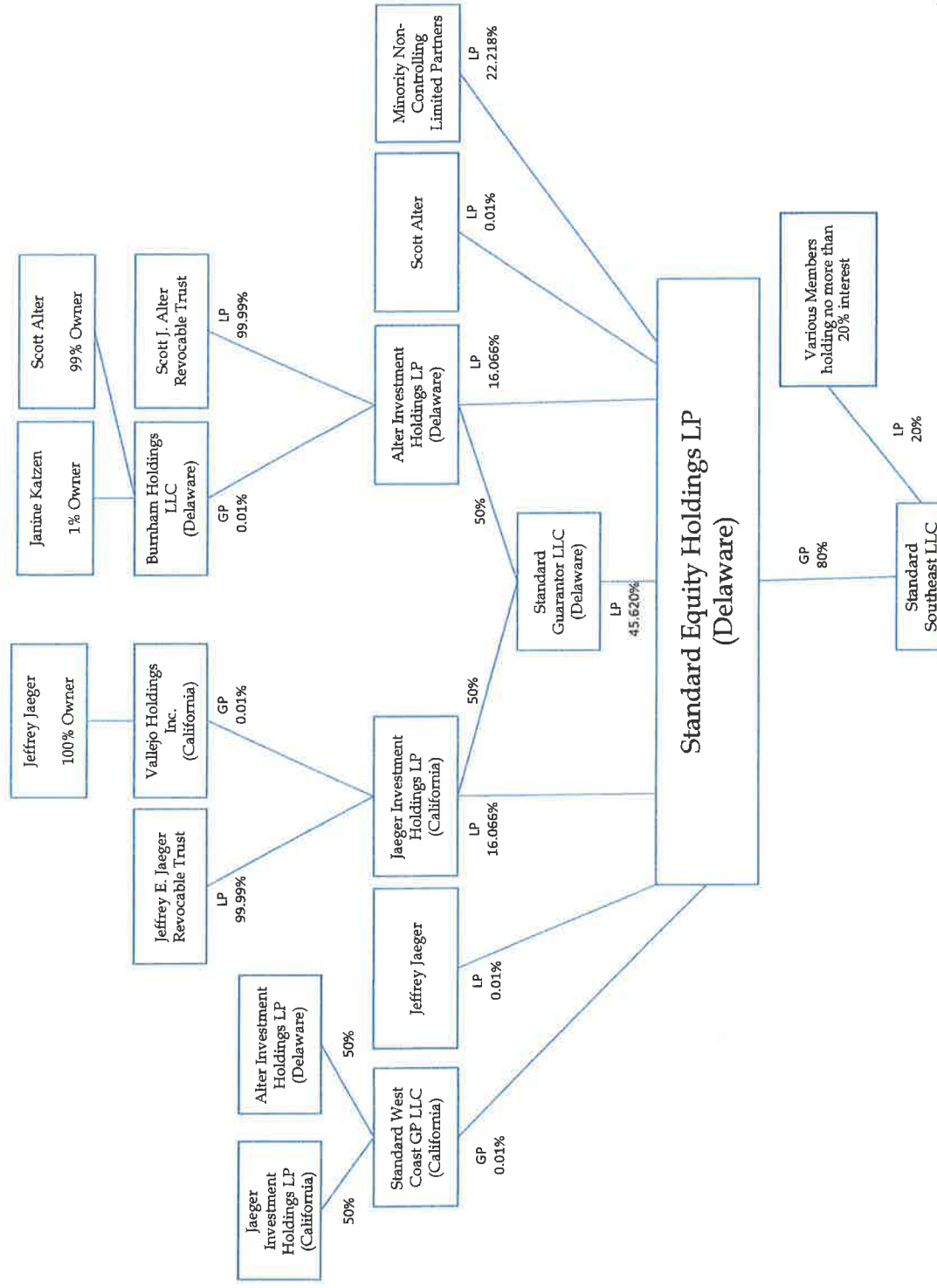
Very truly yours,

**PARKER POE ADAMS & BERNSTEIN LLP**

DETAILS ON  
NEXT PAGE



**Bridgeview Village Apartments  
Organizational Chart  
Page 2**



### **Principals of Standard Communities**

**Jeffrey E. Jaeger:** Mr. Jaeger is a Co-Founder and Principal of Standard Communities. Mr. Jaeger is also the Co-Founder and former Chief Operating Officer of Jackson Square Properties, a value-add investment company which managed a portfolio of over 10,000 apartments and 1,000 mobile-home units at the time of his departure. Prior to joining Jackson Square Properties, Mr. Jaeger worked in the capital transactions department at Lend Lease Real Estate Investments. Mr. Jaeger is a current Board Member and Co-Founder of Housing on Merit, a California-based non-profit focused on providing housing for homeless, female veterans. Mr. Jaeger is also a current Board Member of Inner City Arts, one of the nation's most effective arts-education providers located in the heart of Skid Row, Los Angeles. He earned a Bachelor of Arts degree from the University of California, Berkeley.

**Scott J. Alter:** Mr. Alter is a Co-Founder and Principal of Standard Communities. Prior to co-founding Standard, Mr. Alter was an investment professional at Stockbridge Real Estate Funds, a real estate opportunity fund. Previously, he worked as a Financial Analyst in Merrill Lynch & Co.'s real estate, hospitality and leisure investment banking division. Mr. Alter is a current Board Member and Co-Founder of Housing on Merit, a California-based non-profit focused on providing housing for homeless, female veterans. He recently served as a Board Member of The Giving Circles Fund, a movement of next-generation philanthropists who utilize the power of collective action to create lasting change. Mr. Alter earned a Bachelor of Science degree in Industrial and Labor Relations from Cornell University.



Selected Accounts Variation Report

Run Date / Time 04/01/2020, 14:22:30

Bus Area: L320 Fund: 6001900000..600 Grant: \*  
 Cost Ctr: \* Funded Program: \*  
 Account Group Selected: SC\_TRIAL\_BALANCE\_DETAIL Period: 9, 2020

GL Account	YTD Beg Bal	MTD Activity	YTD End Bal
1000000000 CASH DUE TO/FROM	1,600.18-		1,600.18-
1000030000 CASH ON DEPOSIT-STO			
1000070120 REVENU ACCT-SERV PRG	480,243,142.58		480,243,142.58
1000070200 PROGRAM FUND-LN PRG			
1000070201 ESCROW FUND-LOAN PRG			
1000070202 COST OF ISS FD-LN PG	1,219,742.03	317,286.94-	902,455.09
1000070203 REVENUE FUND-LN PRG	441,593,795.28-	1,846,652.02-	443,440,447.30-
1000070204 REDEMPTION FD-LN PRG			
1000070205 BOND RES FUND-LN PRG	1,992,012.29		1,992,012.29
1000070206 REVENUE RES FD-LN PG			
1000070207 RESTRICTED FD-LN PRG			
1000070208 ARB REB LIB FD-LN PG			
** Cash Accounts	41,859,501.44	2,163,938.96-	39,695,562.48
1200013000 Investments - Debt - Domestic			
1200040000 Investments - Accumulated Discount-Curr			
1200050000 Investments Mark to Market- Curr			
** Investments Current			
1204013000 INVESTMENTS - DEBT - DOMESTIC	90,211,890.53		90,211,890.53
** Investments Non-Current	90,211,890.53		90,211,890.53
1300200000 ACCRUED INTEREST RECEIVABLE NON INVESTMENT		32,310.80-	32,310.80-
1300210000 ACCRUED INTEREST RECEIV ON INVESTMENTS		362,188.85-	2,588.71-
1310000000 LOANS AND NOTES RECEIVABLE - CURRENT	359,600.14		
1310000001 LOANS AND NOTES RECEIVABLE - NONCURRENT	616,339,219.72	3,920,619.26-	612,418,600.46
1311000000 ALLOW FOR UNCOLLECT LOAN/NOTE REC - CURR			
1312000000 LOANS PENDING - SINGLE FAMILY	77,248.99-	7,545,057.95	77,248.99-
1313000000 FORECLOSED REAL ESTATE HELD FOR RESALE	75,376,815.40		82,921,873.35
1390010000 INTERFUND RECEIVABLES			
** Accounts Receivable	691,998,386.27	3,229,939.04	695,228,325.31
1600120000 PREPAID BOND INSURANCE			
** Prepaid Expenditures - Current			
1610010000 UNAMORTIZED DISCOUNTS ON BONDS-CURR			
1610020000 UNAMORTIZED DEF EARLY EXT OF DEBT-CURR	2,798,561.49-	30,806.94-	2,829,368.43-
1620020000 DEFERRED BOND FINANCING COSTS-NONCUR			
** Other Long Term Assets	2,798,561.49-	30,806.94-	2,829,368.43-
*** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
**** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
2010033000 ACCOUNTS PAYABLE - LOAN SERVICING INST		2,813.10	2,813.10

**	Accounts Payable	2,813.10	2,813.10
	2090010000 INTERFUND PAYABLES		
	2200201000 LIAB PAY FROM REST ASSET - INT PAY ON BD	42,000.00-	
	2200400000 LIAB PAY FM REST ASSET - BONDS PAY-CURR	3,415,218.54-	0.02
	2200400001 LIAB RST - BD PY- LT	513,325,000.00-	513,325,000.00-
	2200600000 PREPAID MORTGAGE INTEREST		
	2400130000 OTHER CURRENT LIABILITIES		
	2406061000 UNAMORTIZED PREMIUM ON BONDS		
**	Other Liabilities	18,994,543.47-	19,261,845.59-
***	Total Liabilities	535,776,762.01-	532,586,845.57-
		535,776,762.01-	532,584,032.47-
**	3000010000 RET EARN & FD BAL UN	288,158,935.43-	288,158,935.43-
	Fund Balance Accounts	288,158,935.43-	288,158,935.43-
	4310010000 FEES AND RECEIPTS-OTHER	18,711.33-	18,711.33-
	4600030000 BOND PREMIUM/DISCOUNT AMORIZATION	941,834.05-	674,531.93-
	4650090000 LOAN INTEREST RECEIVED	11,895,172.59-	14,251,107.56-
	4660010000 INVESTMENT EARNINGS	2,887,960.65-	2,575,435.48-
**	Revenue	15,743,678.62-	17,519,786.30-
	5080110010 INTEREST PAYMENTS ON REVENUE BONDS	11,196,177.57	7,780,959.01
*	Debt Service Payments	11,196,177.57	7,780,959.01
*	5170700000 ALLOC ST AGENCIES	3,651,000.00	3,651,000.00
	Allocations	3,651,000.00	3,651,000.00
	5830001001 TRUSTEE FEES	86,110.02	86,110.02
	5830003000 REIMBURSABLE FORECLOSURE EXP	57,139.53	54,326.43
	5830003001 GAIN/LOSS ON FORECLOSURE PRINC	1,419,134.28	1,766,068.42
	5830003002 GAIN/LOSS ON FORECLOSURE INTEREST	79,835.45	108,886.97
	5830004001 LOAN SRVC EXP ACCR NO FM	144,828.78	288,531.97
	5830005000 BOND ISSUANCE EXPENSE	9,566.45-	307,720.49
	5830005020 OTHER BOND PROGRAM EXPENSES	26,097.02	26,097.02
*	5830006000 DEFERED LOSS ERLY EXTINGUISHMENT OF DEBT	126,226.36-	95,419.42-
	Loan Programs	1,677,352.27	2,542,321.90
**	Expenditure Detail by Group	16,524,529.84	13,974,280.91
	6300040110 TRANSFER IN/OUT SF INDENTURE	26,194.90-	26,194.90-
	6300040120 TRANSFER IN/OUT MRB INDENTURE	1,056,010.89	1,154,444.82
	6300040130 TRANSFER IN/OUT HRB INDENTURE	853,813.48	853,813.48
**	Transfers	1,883,629.47	1,982,063.40
***	Total Fund Balance_Detail	285,494,454.74-	289,722,377.42-
****	Total Liabilities and Fund Balance Det	821,271,216.75-	822,306,409.89-
*****	Total		

**SC State Housing Finance and Development Authority**  
**Single Family Bond Program - Debt Service by Year**  
**As of 03/31/2020**

PERIOD	PRINCIPAL LAST PERIOD	THIS PERIOD ACCRETION	CURR PRINCIPAL OUTSTANDING	INTEREST PAYABLE	PRINCIPAL PAYABLE	DEBT SERVICE	EST P & I RECEIPTS	DEBT SERVICE COVERAGE RATIO
07/18 - 06/19	386,420,000.00	-	572,220,000.00	14,484,006.28	58,895,000.00	73,704,006.28	88,453,334.99	1.20 B
07/19 - 06/20	513,325,000.00	-	513,000,000.00	18,045,094.17	15,925,000.00	33,970,094.17	79,608,001.49	2.34
07/20 - 06/21	497,075,000.00	-	497,075,000.00	17,084,991.04	18,190,000.00	35,274,991.04	71,647,201.34	2.03
07/21 - 06/22	478,885,000.00	-	478,885,000.00	16,524,351.00	18,870,000.00	35,394,351.00	64,482,481.21	1.82
07/22 - 06/23	460,015,000.00	-	460,015,000.00	15,916,234.81	19,505,000.00	35,421,234.81	58,034,233.09	1.64
07/23 - 06/28	440,510,000.00	-	440,510,000.00	70,544,840.71	85,365,000.00	155,909,840.71	217,628,374.07	1.40
07/28 - 06/33	355,145,000.00	-	355,145,000.00	56,979,383.90	82,815,000.00	139,794,383.90	108,814,187.04	0.78 A
07/33 - 06/38	272,330,000.00	-	272,330,000.00	42,886,128.50	67,145,000.00	110,031,128.50	54,407,093.52	0.49
07/38 - 06/43	205,185,000.00	-	205,185,000.00	31,477,970.00	56,455,000.00	87,932,970.00	27,203,546.76	0.31
07/43 - 06/48	148,730,000.00	-	148,730,000.00	22,048,468.75	46,490,000.00	68,538,468.75	13,601,773.38	0.20
07/48 - 06/53	102,240,000.00	-	102,240,000.00	3,436,282.50	102,240,000.00	105,676,282.50	6,800,886.69	0.06
07/53 - 06/58	-	-	-	-	-	-	-	-
TOTAL						309,427,751.66	571,895,000.00	881,647,751.66

- Note A**      Single Family Mortgage Revenue Bonds, as opposed to many other types of bonds, are designed to be repaid ahead of the maturity schedule.      The Authority issues 30-year Bonds to purchase 30-year fixed-rate mortgages. Many borrowers pay extra, move or refinance their mortgage. On average, the Authority's 30-year mortgages are paid-off in 12-14 years. The Authority uses these funds to "Optionally Call" bonds before maturity. The Authority's Bonds are generally paid-off within 10 years.
- Note B**      On July 1, 2020, \$20 million in Bonds were "optionally called" prior to their maturity with proceeds from Series 2019b. Without this call, the Debt Service Coverage Ratio would have been 1.65.

Bridgeview Village  
Proforma

**Proforma**

	Year 1	Year 2	Year 3
<b>Revenue</b>			
Net Potential Rent	\$ 6,384,000	\$ 6,511,680	\$ 6,641,914
Total Adjustments (Incl. Vacancy)	(446,880)	(455,818)	(464,934)
Net Rental Income	\$ 5,937,120	\$ 6,055,862	\$ 6,176,980
Total Other Income	11,486	11,716	11,950
Net Revenue	\$ 5,948,606	\$ 6,067,578	\$ 6,188,929
<b>Expenses</b>			
Leasing & Advertising	\$ (5,000)	\$ (5,150)	\$ (5,305)
General & Administrative	(30,000)	(30,900)	(31,827)
Turnover Expense	(60,000)	(61,800)	(63,654)
Repairs & Maintenance	(60,000)	(61,800)	(63,654)
Utilities	(283,322)	(291,822)	(300,576)
Payroll	(374,070)	(385,292)	(396,851)
Management Fees	(178,458)	(182,027)	(185,668)
Administrative/Compliance Monitoring Fee	(15,000)	(15,450)	(15,914)
Security	(98,280)	(101,228)	(104,265)
Contract Services	(100,000)	(103,000)	(106,090)
Total Controllable	\$ (1,204,130)	\$ (1,238,470)	\$ (1,273,803)
Taxes	(51,000)	(52,530)	(54,106)
Insurance	(300,204)	(309,210)	(318,486)
Reserves	(90,000)	(92,700)	(95,481)
Total Expenses	\$ (1,645,334)	\$ (1,692,910)	\$ (1,741,877)
NOI	\$ 4,303,271	\$ 4,374,668	\$ 4,447,053
Principal	\$ (793,242)	\$ (829,684)	\$ (867,799)
Interest	(2,949,272)	(2,912,831)	(2,874,715)
Total Debt Service	\$ (3,742,514)	\$ (3,742,514)	\$ (3,742,514)
DSCR	1.15x	1.17x	1.19x
Net Cash Flow	\$ 560,757	\$ 632,154	\$ 704,538

**Operating Assumptions**

Loan Amount	\$ 65,900,000
Interest Rate	4.50%
Amortization Period	35 Years





# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 05/12/20

Final Version Date:

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: South Carolina State Housing Finance & Development Authority Series: 2020  
 Borrower (if not Issuer): Standard Bridgeview Venture LP  
 Bond Caption: Multifamily Housing Revenue Bonds (Bridgeview Village Apartments)  
 Bond Resolution Amount: \$89,500,000.00 Est. Production/Par Amt: \$65,900,000.00

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

#### Submitted By:

ENTITY: Standard Bridgeview Venture LP  
 BY: Parker Poe Adams & Bernstein LLP  
 ITS: Bond Counsel  
 Tel: 803.255.8000  
 Email: emilyluther@parkerpoe.com

Final Production/Par Amt: \$0.00

#### 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): N  
 MSRB (EMMA) Continuing Disclosure Responsible Party: N/A

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: Bridgeview Village Apartments  
 Project Address/Location: 108 N. Romney Street, Charleston SC 29403 Amount: \$87,479,684.00  
 Project Type: Multifamily Housing Facility County: Charleston  
 Projected Avg Interest Rate: 4.50% Final Maturity: 12/1/2055 (est.)

### 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)
N/A		\$			\$	
		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

### 4. FINANCING WORKING GROUP

Financial Advisor: N/A Disclosure Counsel: N/A  
 Bond Counsel: Parker Poe Adams & Bernstein LLP Issuer's Counsel: Tracey Easton  
 Underwriter: KeyBank Real Estate Capital (Lender) Trustee: TBD  
 Paying Agent: N/A Other: N/A

### 5. FINANCING/PROJECT DESCRIPTION

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

The purpose of the financing is to provide funding for the acquisition and substantial rehabilitation of a 300-unit multifamily housing development in Charleston County, South Carolina. The basis for the information presented in the worksheet is from the application provided by the Borrower to the South Carolina State Housing Finance and Development Authority (which included a market study, project needs assessment report and an appraisal) and a term sheet from KeyBank Real Estate Capital, the purchaser of the Bonds, and Alliant Capital, Ltd., the tax credit equity provider.

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: 03/30/20	SC Housing
JBRC Approval: 00/00/00	
SFAA Approval: 05/12/20	SFAA

Project Approvals - Phase II (State Entities Only)	Notes:
Issuer/Borrower Approval: 00/00/00	N/A
JBRC Approval: 00/00/00	N/A
SFAA Approval: 00/00/00	N/A

### 7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)

Yes No

☒ ☐

b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?

☒ ☐

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

Sq. Footage - Entire Project  
 Cost Estimate - \$0

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	FYF	Spend Down Schedule Notes
\$ 65,900,000.00		Acquisition of Land; Commence Site Work and Rehabilitation
		Rehabilitation Complete
	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 65,900,000.00		

## 8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 65,900,000.00	\$ 16,241,929.00	Project Fund
(b) Premium/Accr. Int.	\$	\$ 5,333,414.00	Capitalized Interest Fund
(2) Issuer/Borrower Contr.-LIHTC	\$ 21,315,739.00	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 1,567,123.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		\$ 5,588,847.00	Developer Fee
Type - Def. Dev./GP Equity	\$ 263,945.00	\$ 55,767,675.00	Land Purchase Costs/Site Work
<b>Residual Project Sources</b>		\$ 1,936,506.00	Operating Reserve
(6) Other		\$ 1,044,190.00	Other Fees
(a) GF -	\$		Other
(a) FF -	\$		Other
(c) OF -	\$		Other
<b>Total Project Sources</b>	\$ 87,479,684.00	\$ 87,479,684.00	<b>Total Project Uses</b>
Surplus/Deficit		\$ -	

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor					\$	\$
Bond Counsel	Parker Poe	N/A	N/A	\$ 65,000.00	\$	\$ 65,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	Tracey Easton (GC)			\$	\$	\$
Underwriter's Counsel	TBD			\$ 50,000.00	\$	\$ 50,000.00
Underwriter Expenses		N/A	N/A		\$	\$
Trustee's Counsel	TBD	N/A	N/A	\$ 7,500.00	\$	\$ 7,500.00
LIHTC Fees				\$ 60,000.00	\$	\$ 60,000.00
Rating Agency - S&P	n/a				\$	\$
Rating Agency - Moody's	n/a			\$	\$	\$
Rating Agency - Fitch	n/a			\$	\$	\$
Underwriter's Compensation	Orig./Comp./Cost	N/A	N/A	\$ 1,103,750.00	\$	\$ 1,103,750.00
Trustee Fees	TBD	N/A	N/A	\$ 7,500.00	\$	\$ 7,500.00
Escrow Agent	n/a			\$	\$	\$
Accountant	n/a			\$	\$	\$
Verification Agent	n/a			\$	\$	\$
Printing	n/a			\$	\$	\$
Publishing	n/a			\$	\$	\$
Advertising	n/a			\$	\$	\$
Contingency				\$	\$	\$
Issuer's Fee	SC JEDA / SC SHFDA		N/A	\$ 273,373.00	\$	\$ 273,373.00
				\$ 1,567,123.00	\$	\$ 1,567,123.00

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

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

0.00%	#DIV/0!
0.10%	#DIV/0!
0.28%	#DIV/0!
0.00%	#DIV/0!

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

1.67%	#DIV/0!
0.43%	#DIV/0!
2.38%	#DIV/0!

BURR FORMAN MCNAIR

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BURR.COM

April 3, 2020

Delbert Singleton  
State Fiscal Accountability Authority  
Wade Hampton Office Building, 6th Floor  
Columbia, South Carolina 29201  
**ELECTRONICALLY DELIVERED**

**Re: \$21,850,000 South Carolina State Housing Finance and Development Authority  
Multifamily Housing Revenue Bonds (Broad River Village Apartments Project)  
Series 2020**

Dear Delbert:

My firm serves as co-bond counsel to Broad River Village LP (the "Housing Sponsor"), together with Ice Miller LLP, Indianapolis, Indiana, with respect to the above-referenced bonds (the "Bonds"). The South Carolina State Housing Finance and Development Authority ("State Housing Authority") anticipates that it will use the proceeds of the Bonds to make a mortgage loan to the Housing Sponsor for the acquisition, construction and rehabilitation of a 160-unit multifamily development located in Beaufort County, South Carolina, known as Broad River Village Apartments (the "Project").

Enclosed is the agenda package for the May meeting of the State Fiscal Accountability Authority ("SFAA") requesting State law approval of the issuance of the Bonds. Also enclosed is a pro forma debt service table for the Bonds; please note this is preliminary and may not reflect market conditions at the time of the SFAA meeting or when the Bonds are issued.

Also enclosed is the New Debt Information Form (NDIF) with respect to this transaction. By copy of this letter, I am also providing Kevin Kibler with the NDIF.

It is anticipated that the Bonds will be publicly offered, and will be payable from and secured by an irrevocable, direct-pay letter of credit issued by a bank, which letter of credit will be supported by a standby letter of credit issued by the Federal Home Loan Bank of Indianapolis. As a result,

AL • DE • FL • GA • MS • NC • SC • TN



Delbert Singleton  
April 3, 2020  
Page 2

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it is anticipated that the Bonds will initially be rated "AAA" by Moody's and "AA+" by Standard and Poor's.

Volume cap for this financing is expected to be provided by the State Housing Authority ("State Housing Authority") from carry-forward volume cap that has previously been allocated to the State Housing Authority. If the SFAA adopts the enclosed approving Resolution, then the State Housing Authority anticipates that it will consider for adoption a final bond resolution providing for the issuance of the Bonds at its May board meeting.

Thank you for your assistance. Please do not hesitate to contact me if you have any questions or need any additional information.

We appreciate this opportunity and look forward to working with you.

Very truly yours,

BURR FORMAN McNAIR



Michael Seezen

cc: Tracey Easton, General Counsel; Director of Legal & Human Resources  
Kevin Kibler, Senior Assistant State Treasurer, Office of State Treasurer  
Robert Macdonald, Assistant State Treasurer, Office of State Treasurer



# TRANSMITTAL FORM, REVENUE BONDS

**TO:** Delbert H. Singleton, Jr. Authority Secretary  
State Fiscal Accountability Authority  
600 Wade Hampton Building  
Columbia, SC 29201

**DATE:** April 3, 2020

Submitted for BCB Meeting on:  
May 12, 2020

**OR** P.O. Box 12444, Columbia, SC 29211

**FROM:**

BURR FORMAN McNAIR

**RE:**

N/E \$21,850,000

Name of Law Firm

1221 Main Street, 17<sup>th</sup> Floor

Amount of Issue

South Carolina State Housing Finance and  
Development Authority

Street Address/Box Number

Columbia, SC 29201

Name of Issuing Authority

Multifamily Housing Revenue Bonds

City, State, Zip Code

(803) 799-9800

Type of Bonds or Notes

Within 60 days of state law approval

Area Code/Telephone Number

Projected Issue Date

**Project Name:** Board River Village Apartments

**Project Description:**

Finance acquisition, construction and rehabilitation of 160-unit multifamily rental housing project in Beaufort County, SC

**Ceiling Allocation Required**

**Refunding Involved**

**Project Approved Previously**

Yes \$ X No

Yes X No

Yes X No

Amount

Amount

Amount

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

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

A. X Petition

B. N/A Resolution or Ordinance

C. X Inducement Resolution or comparable preliminary approval

D. N/A Department of Health and Environmental Control Certificate if required

E. X State Fiscal Accountability Authority Resolution and Public Notice (original)

Plus 6 copies for certification and return to bond counsel

F. X Draft bond counsel opinion letter

G. N/A Processing Fee

Amount: \$

Check No:

Payer:

Bond Counsel:

Michael J. Seezen

By:

Typed Name of Bond Counsel

Signature

STATE OF SOUTH CAROLINA       )  
  )  
COUNTY OF LEXINGTON       )       **PETITION**

\_\_\_\_\_)       **BROAD RIVER VILLAGE**  
**TO THE STATE FISCAL ACCOUNTABILITY**       **APARTMENTS PROJECT**  
**AUTHORITY**       )  
\_\_\_\_\_)       )

This Petition of the South Carolina State Housing Finance and Development Authority (the "Authority") is submitted to the State Fiscal Accountability Authority (the "SFAA") pursuant to the South Carolina State Housing Finance and Development Authority Act of 1977, codified at Section 31-13-10 to 31-13-340, inclusive, Code of Laws of South Carolina 1976, as amended (the "Act") and respectfully shows:

1.       The Act, among other things, provides that whenever the Authority shall have determined by resolution that sufficient persons and families of either beneficiary class as defined in Section 31-13-170(b) of the Act (the "Beneficiary Classes") are unable to pay the amounts at which private enterprise is providing decent, safe and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe and sanitary housing will become available to members of the class in need therefor, then, upon obtaining the approval of the SFAA pursuant to the Act and in order to provide funds for its corporate purposes, the Authority is authorized to issue from time to time its notes and bonds for the purpose of obtaining funds with which to make construction and permanent loans to housing sponsors (as defined in the Act) who agree to and are required to provide for construction or rehabilitation of residential housing (as defined in the Act) for rental by persons or families of either Beneficiary Class; provided, however, with respect to any particular issue of notes or bonds one of the following conditions must be met: (a) if there is a public distribution of the notes or bonds, the issue must be rated by one or more of the national rating agencies and one or more of the following conditions must be met: (i) there is in effect a federal program providing assistance in the payment of such loans made by the Authority; (ii) the proceeds must be used to acquire either federally insured mortgages or mortgages insured by a private mortgage insurer authorized to do business in the State of South Carolina; (iii) the payment of the notes or bonds to the purchasers of them must be assured by the maintenance of adequate reserves or insurance, or a guaranty of a responsible entity which has been determined to be sufficient by the Authority and the SFAA; or (b) if the notes or bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional buyers or other non-registered persons as provided in Section 35-1-202(11)(A) of the Act, the documents pursuant to which the notes or bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the notes or bonds.

2.       Broad River Village, LP, an Indiana limited partnership (the "Housing Sponsor") has applied to and requested the Authority to assist it through the issuance of its bonds,

anticipated to be designated as Multifamily Housing Revenue Bonds (Broad River Village Apartments Project), in one or more series (the "Bonds"), in an aggregate principal amount of \$21,850,000, for the acquisition, construction and rehabilitation of a 160-unit multifamily development located in Beaufort County, South Carolina, known as Broad River Village Apartments (the "Project"). Such Project will be owned by the Housing Sponsor, will be located in the State.

3. The Authority has preliminarily approved the issuance of the Bonds pursuant to a resolution dated March 30, 2020, to finance the acquisition, construction and rehabilitation of the Project, to establish the necessary reserve funds and to pay the costs and expense incurred in connection with the issuance of the Bonds.

4. The Authority requested of the SFAA, and was granted, a carry-forward allocation of private activity bond volume cap under Section 146(f)(2) of the Code, a portion of which shall be allocated to the Bonds.

5. The Authority will adopt a final resolution (the "Resolution"), authorizing the issuance and sale of specific maximum amount of the Bonds and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Bonds. The Authority will take steps necessary to comply with the requirements of Section 142 of the Internal Revenue Code of 1986, as amended.

6. The net interest rate to be borne by the Bonds has not been determined. The interest rate on the Bonds will not exceed the limitations or contravene the conditions described in the Act.

7. The trustee for the issue and the size, date, maturity schedule, payment dates and repayment provisions with respect to the Bonds shall be finally determined prior to the date the Bonds are issued. As soon as these matters are finally determined, a precise schedule thereof shall be presented to the SFAA or its designee as provided by the Act.

8. The Authority requests that the SFAA delegate to the State Treasurer the ability to approve the interest rate (or its methodology) on the Bonds and to grant on behalf of the SFAA final approval for the issuance of the Bonds. Prior to the issuance of the Bonds the Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (a) the principal amount of the Bonds to be issued;
- (b) the maturity schedule of the Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds; and
- (e) the method to be employed in selling the Bonds.

9. The Bonds are special, limited obligations of the Authority secured by and payable solely from monies, income, and receipts of the Authority pledged under the Resolution and the loan agreement with respect thereto.

10. The Authority will produce any further information with respect to the Bonds required by the SFAA.

**WHEREFORE**, on the basis of the foregoing, the Authority prays for preliminary approval by the SFAA of the issuance of the Bonds in an aggregate principal amount not to exceed the amount set forth above for the purpose of financing all or a portion of the costs of acquisition, construction and rehabilitation of the Project, the establishment of necessary reserve funds and the costs of issuance in connection therewith.

Respectfully submitted,

**SOUTH CAROLINA STATE HOUSING  
FINANCE AND DEVELOPMENT  
AUTHORITY**

By: Tracy C. Easton  
General Counsel

March ~~30~~<sup>31</sup>, 2020

**A RESOLUTION  
MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT  
EXCEEDING \$21,850,000 AGGREGATE PRINCIPAL AMOUNT OF  
MULTIFAMILY HOUSING REVENUE BONDS (BROAD RIVER VILLAGE  
APARTMENTS PROJECT), IN ONE OR MORE SERIES, OF THE SOUTH  
CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY  
AND OTHER MATTERS RELATED THERETO.**

**WHEREAS**, the South Carolina State Housing Finance and Development Authority Act of 1977, codified at Section 31-13-10 to 31-13-340, inclusive, Code of Laws of South Carolina 1976, as amended (the "Act"), provides that the South Carolina State Housing Finance and Development Authority (the "Authority"), upon making a determination that sufficient persons or families of either beneficiary class as defined in Section 31-13-170(b) of the Act (the "Beneficiary Classes") are unable to pay the amounts at which private enterprise is providing decent, safe and sanitary housing, that through the exercise of one or more of the programs authorized by the Act, decent, safe and sanitary housing would become available to members of the Beneficiary Classes in need therefor, may authorize the issuance of bonds or notes in order to alleviate the lack of decent, safe and sanitary housing available to members of the Beneficiary Classes;

**WHEREAS**, the Act further provides that, upon the approval of the State Fiscal Accountability Authority (the "SFAA"), the Authority may issue from time to time notes and bonds for the purpose of obtaining funds with which to make construction and permanent loans to housing sponsors (as defined in the Act) who agree to and are required to provide for construction or rehabilitation of residential housing (as defined in the Act) for rental by persons or families of either Beneficiary Class, provided, however, with respect to any particular issue of notes or bonds one of the following conditions must be met: (A) if there is a public distribution of the notes or bonds, the issue must be rated by one or more of the national rating agencies and one or more of the following conditions must be met: (i) there is in effect a federal program providing assistance in the repayment of such loans made by the Authority; (ii) the proceeds must be used to acquire either federally insured mortgages or mortgages insured by a private mortgage insurance company authorized to do business in the State of South Carolina; (iii) the payment of the notes or bonds to the purchasers of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the SFAA; or (B) if the notes or bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional buyers or other non-registered persons as provided in Section 35-1-202(11)(A) of the Act, the documents pursuant to which the notes or bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the notes or bonds; and

**WHEREAS**, Broad River Village, LP, a South Carolina limited partnership (the "Housing Sponsor"), has requested the Authority to assist it by the issuance of its bonds to be known as Multifamily Housing Revenue Bonds (Broad River Village Apartments Project) in the aggregate principal amount of not exceeding \$21,850,000 for the acquisition, rehabilitation and construction of a 160-unit multi-family development to be

located in Beaufort County, South Carolina, to be known as Broad River Village Apartments (the "Project");

**NOW, THEREFORE, BE IT RESOLVED BY BOND COMMITTEE OF THE BOARD OF COMMISSIONERS OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED:**

Section 1. Adoption of Premises. Each statement of fact set forth in the preamble hereto has been carefully examined and has been found to be in all respects true and correct.

Section 2. Undertakings of the Authority. In the event the Housing Sponsor meets the requirements set forth herein and in order to provide the monies required to finance the loans to or for the benefit of the Housing Sponsor with respect to the Project (the "Mortgage Loan"), to establish the necessary reserve funds and to pay the costs and expenses of the Authority in connection therewith, the Authority will undertake to issue its bonds to be designated as "South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Broad River Village Apartments Project)", in one or more series, in the aggregate principal amount of not exceeding \$21,850,000 (the "Bonds").

Any obligation of the Authority hereunder is subject to (a) the Authority staff's recommendations of each individual development based on its review, (b) the requirements that (i) the Project shall have received such local approval, if any, as is required under the Act, (ii) the Authority shall approve the items which may be included in any required charges (rent plus any other mandatory payments) to occupants of the Project, and (iii) the Bonds shall be approved by the SFAA and (c) the right of the Authority in its sole discretion, to rescind this resolution and to elect not to issue such Bonds at some future date.

Section 3. Obligation of Sponsor. If the plan proceeds as contemplated, the Housing Sponsor agrees as follows:

(a) to make its Project available for occupancy by persons in the Beneficiary Classes for such period and subject to such conditions as the Authority may determine;

(b) to provide such security for any of its obligations or mortgages to the Authority, or of the obligations of any other person to the Authority, as the Authority may, in its sole discretion, request, which security may include federal mortgage insurance or federal agreements to make payments adequate to pay amounts due by such Sponsor or such other person;

(c) to enter into a mortgage loan agreement with respect to its Project on such terms and conditions as the Authority may deem necessary or desirable or as the Act may require;

(d) to pay all costs and expenses incurred by the Authority, including its reasonable counsel fees, in furtherance of the undertakings of the Authority hereunder, regardless of whether any bonds or notes are issued with respect to its Project;

(e) to provide the Authority with such information and material with respect to its Project, including financial statements and information, reports, tests, surveys, appraisals, plans, specifications, drawings, occupancy rates or rent rolls, studies or feasibility studies, legal opinions, descriptions, and access for inspection of its Project or any other such items as may be requested by the Authority; and

(f) to enter into such agreements, including such disclosure agreements as may be required to meet the requirements of Rule 15c2-12(b)(5) promulgated by the U.S. Securities and Exchange Commission (the "Rule"), execute such documents and provide such proofs or evidence as the Authority may, in its sole discretion, request in connection with its undertakings hereunder.

Section 4. Termination. The Authority or the Housing Sponsor may elect not to proceed with the financing. The Authority shall not be obligated hereby to the Housing Sponsor or any other person by virtue of the adoption of this resolution. Neither the Housing Sponsor nor any other person shall have any rights hereunder and the Authority shall not be liable in any way to the Housing Sponsor or any other person for any decision it makes not to proceed hereunder regardless of any action taken by the Housing Sponsor or such other person whether known or unknown to the Authority.

Section 5. Sale of Bonds; Purchase Contract. The Chairman, the Vice-Chairman and the Executive Director of the Authority, or any of them acting alone (each, an "Authorized Person"), are hereby authorized to sell any or all series of the Bonds to such purchasers as may be designated by the Executive Director pursuant to the terms and conditions of a purchase contract, term sheet or funding agreement as may be approved by such Authorized Person on receipt or advice from counsel to the Authority. The authority hereby conferred may be exercised as long as the interest rate of the Bonds does not exceed the limitations or contravene the conditions as described in the Act and (i) the Bonds are rated in one of the three highest rating categories (without regard to subcategories) by either Moody's Investors Services, Inc. or S&P Global Ratings or (ii) the Bonds are to be sold to, placed with or resold to institutional investors for investment. The purchase price of the Bonds shall be determined by an Authorized Person but in no event shall be less than 97.5% of par plus accrued interest on the Bonds from their date to the date of delivery thereof.

Section 6. No Waiver of Existing Rights of Authority. Notwithstanding anything herein to the contrary, nothing in this resolution shall be construed as a waiver of any default under an existing mortgage loan or a modification of any rights of the Authority, and no such waiver or modification shall be effected except by the express written agreement of the Authority delivered subsequent to the date hereof.

Section 7. Offering Documents. There is hereby authorized the preparation and distribution of preliminary and final offering documents in connection with the sale of the Bonds if determined necessary or advisable by the Housing Sponsor and the Authority. Such offering documents, if any, shall include information about the Authority in substantially the form heretofore used in connection with the sale of the Authority's multifamily revenue bonds with such changes, additions, deletions or modifications as are consistent with the details of the Bonds or as are approved by counsel to the Authority. The Authorized Persons are hereby authorized and directed to take such

action as they deem appropriate or as is requested of either of them for the distribution of such offering documents, if any. The Authority hereby delegates to the Authorized Persons the power to deem any such offering documents "final" within the meaning of the Rule.

Section 8. Petition to State Fiscal Accountability Authority. The Authorized Persons and counsel to the Authority, or any of them, are hereby authorized and directed to prepare and present to the SFAA (a)(i) a petition under Section 1-11-530, Code of Laws of South Carolina 1976, as amended (the "Allocation Act") for an allocation of private activity bond volume cap under the Allocation Act and Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) a petition requesting approval of the Bonds by the SFAA as prescribed in Section 31-13-220 of the Act, which petitions (together, the "Petitions") shall, among other things, set forth the pertinent provisions relating to the Bonds required by the Act or the Allocation Act, as the case may be; and (b) the request prescribed by Section 31-13-220 of the Act which shall, among other things, set forth the findings required by the Act, the pertinent terms and provisions relating to the Bonds, determined as provided in this resolution, and the outstanding bonds and notes of the Authority.

Section 9. Designation of Fiduciaries. The Authorized Persons are hereby authorized and directed to designate the trustee, paying agent and registrar under the Trust Indenture to be entered into with respect to the Bonds.

Section 10. General Authority. The Commissioners of the Authority and its appropriate officers, attorneys, agents and employees are hereby authorized to do all acts and things required of them by this resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all the terms, covenants and purposes contained in the Bonds and this resolution, and each such Commissioner, officer, attorney and employee is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

Section 11. Expiration. This resolution, if not renewed, will expire on a date which is twelve (12) months from the date of its adoption by the Authority.

Section 12. Miscellaneous. All orders and resolutions or any parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and upon its adoption by the Authority.

Section 13. Non-Transferable. This resolution may not be transferred by the Housing Sponsor. No attempted sale or other transfer of this resolution shall be valid or binding upon the Authority.

Section 13. Official Action. It is the intention of the Authority that this resolution shall constitute an official action by the Authority evidencing its present intent within the meaning of the applicable regulations of the United States Department of the Treasury relating to the issuance of tax exempt bonds under the Internal Revenue Code of 1986, as amended, for the purpose of paying all or a portion of the costs of the Project, or reimbursing the Housing Sponsor therefor.



**STATE OF SOUTH CAROLINA**

**COUNTY OF LEXINGTON**

I, the undersigned secretary of the South Carolina State Housing Finance and Development Authority (the "Authority") do hereby certify that I am the duly qualified and acting Secretary to the Board of Commissioners of the Authority the "Board") and as such further certify that attached hereto is a true and correct copy of the resolution adopted by the Bond Committee of the Board at a meeting duly called and held on the 30<sup>th</sup> day of March, 2020, at which meeting a quorum was present and acting throughout, and that said resolution has not been modified, amended or repealed and is in full force and effect on the date hereof.

I further certify that due notice of a meeting of the Bond Committee of the Board, called to be held by telephone at 2:00 p.m. on March 30, 2020, was given to all members prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting was posted at the times and places required by law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Authority this 30<sup>th</sup> day of March, 2020.

**SOUTH CAROLINA STATE HOUSING  
FINANCE AND DEVELOPMENT  
AUTHORITY**

(SEAL)

By:

  
Bonita Shropshire  
Secretary, Board of Commissioners

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE BONDS (BROAD RIVER VILLAGE APARTMENTS PROJECT), IN ONE OR MORE SERIES**

**WHEREAS**, the South Carolina State Housing Finance and Development Authority Act of 1977, codified at Section 31-13-10 to 31-13-340, inclusive, Code of Laws of South Carolina 1976, as amended (the "Act"), provides that, upon the approval of the State Fiscal Accountability Authority (the "SFAA"), the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time notes and bonds for the purpose of obtaining funds with which to make construction and permanent loans to housing sponsors (as defined in the Act) who agree to and are required to provide for construction or rehabilitation of residential housing (as defined in the Act) for rental by persons or families of either beneficiary class as defined in Section 31-13-170(b) of the Act (the "Beneficiary Classes"); provided, however, with respect to any particular issue of notes or bonds one of the following conditions must be met: (A) if there is a public distribution of the notes or bonds, the issue must be rated by one or more of the national rating agencies and one or more of the following conditions must be met: (i) there is in effect a federal program providing assistance in the repayment of such loans made by the Authority; (ii) the proceeds must be used to acquire either federally insured mortgages or mortgages insured by a private mortgage insurance company authorized to do business in the State of South Carolina; (iii) the payment of the notes or bonds to the purchasers of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the SFAA; or (B) if the notes or bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional buyers or other non-registered persons as provided in Section 35-1-202(11)(A) of the Act, the documents pursuant to which the notes or bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the notes or bonds;

**WHEREAS**, Broad River Village, LP, an Indiana limited partnership (the "Housing Sponsor"), has requested the Authority to assist it in an undertaking to acquire, rehabilitate and construct a 160-unit multi-family development to be located in Beaufort County, South Carolina, to be known as Broad River Village Apartments (the "Project");

**WHEREAS**, in order to provide money to acquire, rehabilitate and construct the Project, the Authority proposes to issue its revenue bonds to be known as South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Broad River Village Apartments Project), in one or more series, in the aggregate principal amount of not exceeding \$21,850,000 (the "Bonds"); and

**WHEREAS**, the Authority has presented to the SFAA its Petition dated as of March [30], 2020 (the "Petition"), which sets forth certain information with respect to the Bonds.

**NOW, THEREFORE, BE IT RESOLVED BY STATE FISCAL ACCOUNTABILITY AUTHORITY IN MEETING DULY ASSEMBLED:**

Section 1. Approval is granted to the undertaking of the Authority as outlined in the Petition.

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the SFAA to the execution and delivery by the Authority of its Bonds to be designated as the South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Broad River Village Apartments Project), in one or more series, in the aggregate principal amount of not exceeding \$21,850,000.

Section 3. The approval of the SFAA is conditioned on the following:

(a) The Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (1) the principal amount of the Bonds to be issued;
- (2) the maturity schedule of the Bonds to be issued;
- (3) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (4) a schedule showing the amount and source of revenues available for the payment of debt service on the Bonds; and
- (5) the method to be employed in selling the Bonds.

(b) The approval of the State Treasurer of the form and substance of the Bonds and of such documents as he deems necessary therefor;

(c) The State Treasurer shall find and determine that the funds estimated to be available for the repayment of the Authority's notes and bonds, including the Bonds, will be sufficient to provide for the payment of the principal and interest thereon;

(d) The documents pursuant to which the Bonds are being issued shall provide that all expenses, costs and fees of the Authority in connection with the issuance of the Bonds, including legal fees, printing and all disbursements shall be paid by the Housing Sponsor; and

(e) To the extent required, the final approval by the Governor as the elected official of the State of South Carolina for purposes of Section 142(f) of the Internal Revenue Code of 1986, as amended.

Section 4. This resolution shall take effect immediately upon its adoption.

**NOTICE OF ACTION OF THE  
STATE FISCAL ACCOUNTABILITY AUTHORITY**

Notice is given that following the filing of a Petition by the South Carolina State Housing Finance and Development Authority ("Housing Authority") to the State Fiscal Accountability Authority of South Carolina (the "State Authority"), approval has been given by the State Authority to the following undertaking ("Undertaking") (including changes in any details of the Undertaking as finally consummated that do not materially affect the Undertaking), viz.:

The Housing Authority, following approval by the State Authority, will issue its not exceeding \$21,850,000 of its Multifamily Housing Revenue Bonds (Broad River Village Apartments Project), in one or more series ("Bonds"), pursuant to Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended ("Act"), and a Trust Indenture between the Housing Authority and a bond trustee related thereto (the "Indenture"). The Housing Authority will use the proceeds of the Bonds to fund a mortgage loan to Broad River Village, LP ("Borrower"), pursuant to a Loan Agreement between the Housing Authority and the Borrower (the "Loan Agreement"), to (i) finance the costs of acquiring, constructing and rehabilitating a 160-unit apartment development to be known as Broad River Village Apartments located in Beaufort County, South Carolina ("Project"), (ii) establish necessary reserve funds and (iii) provide for certain fees and expenses which may be incurred in connection with the issuance of the Bonds.

The Bonds will be initially secured by one or more irrevocable, direct-pay letters of credit provided by a bank or financial institution or by such other security arrangement as shall be permitted under the Indenture (each, a "Security Arrangement") and will be payable solely from the amounts to be paid to the Housing Authority by the Borrower pursuant to the Loan Agreement or such Security Arrangement, as applicable. The Indenture, and the Bonds when issued, are not indebtedness of the State of South Carolina ("State").

The Bonds will be issued pursuant to the Act and a Resolution anticipated to be adopted by the Housing Authority on May 20, 2020. The Bonds will not be (i) secured by, or in any way entitled to, a pledge of the full faith, credit, or taxing power of the Housing Authority or the State, (ii) an indebtedness of the Housing Authority or the State within the meaning of any State constitutional provision or statutory limitation, but are payable solely from a special source that does not include revenues from any tax or license, (iii) a pecuniary liability of the Housing Authority or the State or (iv) a charge against the general credit or taxing power of the Housing Authority or the State.

Notice is further given that any interested party may, within 20 days after the date of publication of this Notice, but not after, challenge the validity of the State Authority's action in approving the Undertaking by action *de novo* instituted in the Court of Common Pleas for Beaufort County.

STATE FISCAL ACCOUNTABILITY AUTHORITY  
OF SOUTH CAROLINA

By: Delbert H. Singleton, Jr., Secretary

\_\_\_\_\_, 2020

South Carolina State Housing Finance  
and Development Authority (the "Issuer")  
Columbia, South Carolina

\_\_\_\_\_, as Trustee  
\_\_\_\_\_  
\_\_\_\_\_

Re: South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds, Series 2020A and Series 2020B (Broad River Village Apartments Project) (the "Bonds") in the combined aggregate principal amount of \$\_\_\_\_\_, dated the date hereof; Issued pursuant to (i) a certified copy of the Bond Resolution adopted by the Board of Commissioners of the Issuer on May \_\_, 2020 (the "Bond Resolution"); (ii) the Indenture of Trust, dated as of May 1, 2020 (the "Indenture"), between the Issuer and \_\_\_\_\_, as trustee (the "Trustee"); (iii) the Loan Agreement, dated as of May 1, 2020 (the "Loan Agreement"), between the Issuer and Broad River Village, L.P. (the "Borrower"); and (iv) the Regulatory Agreement, dated as of May 1, 2020 (the "Regulatory Agreement"), among the Issuer, the Trustee, and the Borrower.

Ladies and Gentlemen:

We have examined (a) a certified transcript containing the proceedings of the Issuer relating to the authorization, issuance and sale of the Bonds pursuant to the Indenture and the approval and execution of the Loan Agreement and the Regulatory Agreement; (b) an executed counterpart of the Loan Agreement, the Indenture, and the Regulatory Agreement; (c) a certificate showing execution, authentication and delivery of the Bonds and no litigation pending as of said date of delivery; (d) the Arbitrage Certificate of the Issuer dated the date hereof; (e) the General Certificates of the Borrower and its general partner dated the date hereof; (f) the Tax Representation Certificate of the Borrower dated the date hereof; (g) the executed promissory notes of the Borrower each dated \_\_\_\_\_, 2020; and (h) an Internal Revenue Service Form 8038.

In delivering our opinion, we have relied upon a certified transcript of proceedings and other certificates and representations of the Borrower and the Issuer as set forth in the Loan Agreement, the Indenture, the Regulatory Agreement and the bond transcript, including but not limited to the Arbitrage Certificate and the Tax Representation Certificate (collectively, the "Tax Covenants"), and have not undertaken to verify any facts by independent investigation.

As to questions of fact material to our opinion, we have relied upon representations of and compliance with covenants by the Borrower and the Issuer contained in the Indenture and Loan Agreement, certificates of public officials furnished to us and certificates of representatives of the Borrower, the Issuer, the Trustee and other parties, without undertaking any independent verification. We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as

originals are authentic and all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates and instruments relating to the issuance of the Bonds have been duly authorized, executed and delivered by all parties thereto other than the Issuer, and we have further assumed the due organization, existence and powers of such other parties other than the Issuer.

Based upon the foregoing and our review of such other information, papers, documents and statutes, regulations, rulings and decisions as we believe necessary or advisable, we are of the opinion that:

1. The Loan Agreement, the Indenture and the Regulatory Agreement have been duly authorized, executed and delivered by the Issuer and are valid and binding agreements of the Issuer, enforceable against the Issuer in accordance with their respective terms.

2. The Bonds have been duly authorized, executed and issued and are valid and binding obligations of the Issuer, enforceable in accordance with their terms, including the senior or subordinate security provided therein.

3. Under federal statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except interest on any Bond for any period during which it is held by a "substantial user" of the project to be financed with the proceeds of the Bonds or a "related person" as those terms are employed in Section 147(a) of the Code. Further, under existing law, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. This opinion is conditioned on continuing compliance by the Issuer and the Borrower with the Tax Covenants. Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the excludability from gross income for purposes of federal income taxation retroactive to the date of issue.

4. Under present law, the Bonds and the interest thereon are exempt from taxation of every kind by the State of South Carolina (the "State"), the municipalities and other political subdivisions in the State, except for estate or other transfer taxes. It should be noted, however, that Section 12-11-20, Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in the State a fee or franchise tax computed on the entire net income of such bank which includes interest paid on the Bonds.

It is to be understood that the rights of the owners of the Bonds, the Issuer, the Borrower and the Trustee and the enforceability of the Bonds, the Indenture, the Regulatory Agreement, and the Loan Agreement may be subject to the valid exercise of the constitutional powers of the State of South Carolina and the United States of America. It is to be further understood that the rights of the owners of the Bonds, the Issuer, the Trustee and the Borrower and the enforceability of the terms of the Indenture, the Regulatory Agreement, the Loan Agreement and the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting

creditors' rights heretofore or hereafter enacted and that the enforcement thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein with respect to matters of title in the facilities financed with the proceeds of the Bonds or the Borrower's or Trustee's interests therein. This opinion does not create any new attorney-client relationships.

We have not been engaged, and have not undertaken, to review the accuracy, completeness or sufficiency of any offering materials relating to the Bonds and, accordingly, we express no opinion with respect thereto.

Very truly yours,

# DEBT SERVICE SCHEDULE

Broad River Village Apartments  
 Port Royal, South Carolina (Beaufort CO)  
 Broad River Village, LP

1.400%
0.900%
0.125%
0.125%
0.200%

Series A1 Principal
Series A1 Interest
Series A1 LOC Fee
Series A1 Trustee Fee
Series A1 Remortgage Fee
Series A1 PHLB LOC Fee
Series A2 Principal
Series A2 Interest
Series A2 LOC Fee
Series A2 Trustee Fee
Series A2 Remortgage Fee
Series A2 PHLB LOC Fee
Total Debt Service Payments

Construction and Lease-Up			
2021	2022	2023	
Year 1	Year 2	Year 3	
-	-	-	-
-	-	(137,688)	(88,463)
-	-	(12,286)	(12,286)
-	-	(12,286)	(12,286)
-	-	(19,658)	(19,658)
-	-	(42,292)	(42,292)
-	-	(26,250)	(26,250)
-	-	(3,646)	(3,646)
-	-	(5,833)	(5,833)
-	-	(381,909)	(381,909)

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18
(91,452)	(99,043)	(107,264)	(116,166)	(125,888)	(136,250)	(147,559)	(159,806)	(173,070)	(187,435)	(202,922)	(219,540)	(238,286)	(257,847)	(279,149)
(235,322)	(233,993)	(232,555)	(230,997)	(229,309)	(227,482)	(225,503)	(223,368)	(221,039)	(218,525)	(215,902)	(213,184)	(209,661)	(206,283)	(202,957)
(151,278)	(158,424)	(149,499)	(146,498)	(147,413)	(146,238)	(144,966)	(143,588)	(142,099)	(140,488)	(138,730)	(136,835)	(134,782)	(132,559)	(130,151)
(21,011)	(28,892)	(28,764)	(28,625)	(28,474)	(28,311)	(28,134)	(27,943)	(27,736)	(27,511)	(27,269)	(27,005)	(26,728)	(26,411)	(26,077)
(33,617)	(33,428)	(33,222)	(33,008)	(32,789)	(32,577)	(32,351)	(32,115)	(31,877)	(31,635)	(31,389)	(31,139)	(30,885)	(30,628)	(30,367)
(27,137)	(29,390)	(31,829)	(34,471)	(37,322)	(40,430)	(43,786)	(47,428)	(51,356)	(55,519)	(59,929)	(64,584)	(69,490)	(74,649)	(80,072)
(72,222)	(71,914)	(71,472)	(70,993)	(70,474)	(69,913)	(69,305)	(68,646)	(67,933)	(67,169)	(66,323)	(65,417)	(64,436)	(63,373)	(62,227)
(44,890)	(44,636)	(44,362)	(44,065)	(43,743)	(43,394)	(43,017)	(42,608)	(42,165)	(41,686)	(41,166)	(40,604)	(40,095)	(39,535)	(38,921)
(6,235)	(6,199)	(6,161)	(6,128)	(6,075)	(6,027)	(5,975)	(5,918)	(5,856)	(5,790)	(5,718)	(5,639)	(5,555)	(5,463)	(5,364)
(9,275)	(9,919)	(9,888)	(9,792)	(9,721)	(9,643)	(9,559)	(9,468)	(9,370)	(9,263)	(9,148)	(9,023)	(8,888)	(8,741)	(8,582)
(720,485)	(724,931)	(733,911)	(741,471)	(749,658)	(758,324)	(768,127)	(778,526)	(789,709)	(801,587)	(815,196)	(829,503)	(844,596)	(861,776)	(879,348)

(1) 1.40% based on 18-year interest rate swap to be set at time of bond issuance



**SC State Housing Finance and Development Authority**  
**Single Family Bond Program - Debt Service by Year**  
**As of 03/31/2020**

PERIOD	PRINCIPAL LAST PERIOD	THIS PERIOD ACCRETION	CURR PRINCIPAL OUTSTANDING	INTEREST PAYABLE	PRINCIPAL PAYABLE	DEBT SERVICE	EST P & I RECEIPTS	DEBT SERVICE COVERAGE RATIO
07/18 - 06/19	386,420,000.00	-	572,220,000.00	14,484,006.28	58,895,000.00	73,704,006.28	88,453,334.99	1.20 B
07/19 - 06/20	513,325,000.00	-	513,000,000.00	18,045,094.17	15,925,000.00	33,970,094.17	79,608,001.49	2.34
07/20 - 06/21	497,075,000.00	-	497,075,000.00	17,084,991.04	18,190,000.00	35,274,991.04	71,647,201.34	2.03
07/21 - 06/22	478,885,000.00	-	478,885,000.00	16,524,351.00	18,870,000.00	35,394,351.00	64,482,481.21	1.82
07/22 - 06/23	460,015,000.00	-	460,015,000.00	15,916,234.81	19,505,000.00	35,421,234.81	58,034,233.09	1.64
07/23 - 06/28	440,510,000.00	-	440,510,000.00	70,544,840.71	85,365,000.00	155,909,840.71	217,628,374.07	1.40
07/28 - 06/33	355,145,000.00	-	355,145,000.00	56,979,383.90	82,815,000.00	139,794,383.90	108,814,187.04	0.78 A
07/33 - 06/38	272,330,000.00	-	272,330,000.00	42,886,128.50	67,145,000.00	110,031,128.50	54,407,093.52	0.49
07/38 - 06/43	205,185,000.00	-	205,185,000.00	31,477,970.00	56,455,000.00	87,932,970.00	27,203,546.76	0.31
07/43 - 06/48	148,730,000.00	-	148,730,000.00	22,048,468.75	46,490,000.00	68,538,468.75	13,601,773.38	0.20
07/48 - 06/53	102,240,000.00	-	102,240,000.00	3,436,282.50	102,240,000.00	105,676,282.50	6,800,886.69	0.06
07/53 - 06/58	-	-	-	-	-	-	-	-
<b>TOTAL</b>						<b>309,427,751.66</b>	<b>571,895,000.00</b>	<b>881,647,751.66</b>

- Note A**      Single Family Mortgage Revenue Bonds, as opposed to many other types of bonds, are designed to be repaid ahead of the maturity schedule.      The Authority issues 30-year Bonds to purchase 30-year fixed-rate mortgages. Many borrowers pay extra, move or refinance their mortgage. On average, the Authority's 30-year mortgages are paid-off in 12-14 years. The Authority uses these funds to "Optionally Call" bonds before maturity. The Authority's Bonds are generally paid-off within 10 years.
- Note B**      On July 1, 2020, \$20 million in Bonds were "optionally called" prior to their maturity with proceeds from Series 2019b. Without this call, the Debt Service Coverage Ratio would have been 1.65.

## Selected Accounts Variation Report

Run Date / Time 04/01/2020, 14:22:30

Bus Area: L320 Fund: 6001900000..600 Grant: \*  
 Cost Ctr: \* Funded Program: \*  
 Account Group Selected: SC\_TRIAL\_BALANCE\_DETAIL Period: 9, 2020

GL Account	YTD Beg Bal	MTD Activity	YTD End Bal
10000000000 CASH DUE TO/FROM	1,600.18-		1,600.18-
10000300000 CASH ON DEPOSIT-STO			
10000701200 REVENUE ACCT-SERV PRG	480,243,142.58		480,243,142.58
10000702000 PROGRAM FUND-LN PRG			
10000702010 ESCROW FUND-LOAN PRG			
10000702020 COST OF ISS FD-LN PG	1,219,742.03	317,286.94-	902,455.09
10000702030 REVENUE FUND-LN PRG	441,593,795.28-	1,846,652.02-	443,440,447.30-
10000702040 REDEMPTION FD-LN PRG			
10000702050 BOND RES FUND-LN PRG	1,992,012.29		1,992,012.29
10000702060 REVENUE RES FD-LN PG			
10000702070 RESTRICTED FD-LN PRG			
10000702080 ARB REB LIB FD-LN PG			
** Cash Accounts	41,859,501.44	2,163,938.96-	39,695,562.48
12000130000 Investments - Debt - Domestic			
12000400000 Investments - Accumulated Discount-Curr			
12000500000 Investments Mark to Market- Curr			
** Investments Current			
12040130000 INVESTMENTS - DEBT - DOMESTIC	90,211,890.53		90,211,890.53
** Investments Non-Current	90,211,890.53		90,211,890.53
13002000000 ACCRUED INTEREST RECEIVABLE NON INVESTMENT			
13002100000 ACCRUED INTEREST RECEIV ON INVESTMENTS			
13100000000 LOANS AND NOTES RECEIVABLE - CURRENT	359,600.14	32,310.80-	32,310.80-
13100000001 LOANS AND NOTES RECEIVABLE - NONCURRENT	616,339,219.72	362,188.85-	2,588.71-
13110000000 ALLOW FOR UNCOLLECT LOAN/NOTE REC - CURR		3,920,619.26-	612,418,600.46
13120000000 LOANS PENDING - SINGLE FAMILY	77,248.99-		77,248.99-
13130000000 FORECLOSED REAL ESTATE HELD FOR RESALE	75,376,815.40	7,545,057.95	82,921,873.35
13900100000 INTERFUND RECEIVABLES			
** Accounts Receivable	691,998,386.27	3,229,939.04	695,228,325.31
16001200000 PREPAID BOND INSURANCE			
** Prepaid Expenditures - Current			
16100100000 UNAMORTIZED DISCOUNTS ON BONDS-CURR			
16100200000 UNAMORTIZED DEF EARLY EXT OF DEBT-CURR	2,798,561.49-	30,806.94-	2,829,368.43-
16200200000 DEFERRED BOND FINANCING COSTS-NONCUR			
** Other Long Term Assets	2,798,561.49-	30,806.94-	2,829,368.43-
** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
**** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
20100330000 ACCOUNTS PAYABLE - LOAN SERVICING INST		2,813.10	2,813.10

**	Accounts Payable		2,813.10	2,813.10
**	2090010000 INTERFUND PAYABLES	42,000.00-		
	2200201000 LIAB PAY FROM REST ASSET - INT PAY ON BD	3,415,218.54-	42,000.00	0.02
	2200400000 LIAB PAY FM REST ASSET - BONDS PAY-CURR	513,325,000.00-	3,415,218.56	513,325,000.00-
	2200400001 LIAB RST - BD PY- LT			
	2200600000 PREPAID MORTGAGE INTEREST			
	2400130000 OTHER CURRENT LIABILITIES			
	2406061000 UNAMORTIZED PREMIUM ON BONDS	18,994,543.47-	267,302.12-	19,261,845.59-
**	Other Liabilities	535,776,762.01-	3,189,916.44	532,586,845.57-
***	Total Liabilities	535,776,762.01-	3,192,729.54	532,584,032.47-
**	3000010000 RET EARN & FD BAL UN	288,158,935.43-		288,158,935.43-
**	Fund Balance Accounts	288,158,935.43-		288,158,935.43-
	4310010000 FEES AND RECEIPTS-OTHER	18,711.33-		18,711.33-
	4600030000 BOND PREMIUM/DISCOUNT AMORIZATION	941,834.05-	267,302.12	674,531.93-
	4650090000 LOAN INTEREST RECEIVED	11,895,172.59-	2,355,934.97-	14,251,107.56-
	4660010000 INVESTMENT EARNINGS	2,887,960.65-	312,525.17	2,575,435.48-
**	Revenue	15,743,678.62-	1,776,107.68-	17,519,786.30-
*	5080110010 INTEREST PAYMENTS ON REVENUE BONDS	11,196,177.57	3,415,218.56-	7,780,959.01
	Debt Service Payments	11,196,177.57	3,415,218.56-	7,780,959.01
*	5170700000 ALLOC ST AGENCIES	3,651,000.00		3,651,000.00
	Allocations	3,651,000.00		3,651,000.00
	5830001001 TRUSTEE FEES	86,110.02		86,110.02
	5830003000 REIMBURSABLE FORECLOSURE EXP	57,139.53		54,326.43
	5830003001 GAIN/LOSS ON FORECLOSURE PRINC	1,419,134.28		1,766,068.42
	5830003002 GAIN/LOSS ON FORECLOSURE INTEREST	79,835.45		108,886.97
	5830004001 LOAN SRVC EXP ACCR NO FM	144,828.78		288,531.97
	5830005000 BOND ISSUANCE EXPENSE	9,566.45-		307,720.49
	5830005020 OTHER BOND PROGRAM EXPENSES	26,097.02		26,097.02
	5830006000 DEFERRED LOSS ERLY EXTINGUISHMENT OF DEBT	126,226.36-		95,419.42-
*	Loan Programs	1,677,352.27	864,969.63	2,542,321.90
**	Expenditure Detail by Group	16,524,529.84	2,550,248.93-	13,974,280.91
	6300040110 TRANSFER IN/OUT SF INDENTURE	26,194.90-		26,194.90-
	6300040120 TRANSFER IN/OUT MRB INDENTURE	1,056,010.89	98,433.93	1,154,444.82
	6300040130 TRANSFER IN/OUT HRB INDENTURE	853,813.48		853,813.48
**	Transfers	1,883,629.47	98,433.93	1,982,063.40
***	Total Fund Balance Detail	285,494,454.74-	4,227,922.68-	289,722,377.42-
****	Total Liabilities and Fund Balance Det	821,271,216.75-	1,035,193.14-	822,306,409.89-
*****	Total			

## SUMMARY OF PROPOSED BOND ISSUE

Bond Issue –	Not exceeding \$21,850,000 South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Broad River Village Apartments Project), Series 2020A
Project -	Acquisition, construction and rehabilitation of a 160-unit multifamily development located in Beaufort County, South Carolina, to be known as Broad River Village Apartments
Plan of Finance -	Total project cost approximately \$35.6 million, to be funding principally through the sale of tax-exempt bonds (approx. \$21,850,000), and the sale of low-income housing tax credits from borrower (approx. \$12,649,440)
Borrower -	<p>Broad River Village, LP</p> <ul style="list-style-type: none"><li>• General partner is AHP – Broad River, LLC, whose sole member is Affordable Housing Partners, Inc. (Indiana 501(c)(3) nonprofit corporation) (“AHP”)</li><li>• AHP was formed with the purpose of promoting and sponsoring affordable housing for residents and families of low-to-moderate household incomes</li><li>• AHP and its subsidiaries are managed by an independent board of directors, including Bruce Cordingley (Chairman), Brian Chaffin, Michael Sutton, David Maraman and Timothy Marshall. A description of AHP and resumes of its directors are attached as <u>Exhibit A</u>.</li><li>• Limited partners of Broad River Village, LP will be equity tax credit investors</li></ul>
Development Team -	<p>Bennett &amp; Reindl, LLC (Hilton Head Island, SC), Pedcor Housing Corporation and Village Capital Corporation</p> <ul style="list-style-type: none"><li>• In addition to being a founder and director of AHP, Mr. Cordingley is also a principal of Pedcor Housing Corporation (PHC) and Village Capital Corporation (VCC), which are service corporations of International City Bank and United Fidelity Bank, respectively, and are providing letters of credit to secure the payment of the Bonds, as described below. PHC and International City Bank are domiciled in California; VCC and United Fidelity Bank are domiciled in Indiana. The principal places of business for these entities are in Carmel, Indiana.</li><li>• International City and Bank United Fidelity Bank are owned by their respective bank holding companies. These holding companies are ultimately owned by principals Gerald Pedigo, Bruce Cordingley and Phillip Stoffregen (the “Pedcor Principals”). Resumes of the Pedcor Principals are attached as <u>Exhibit B</u>.</li><li>• Cordingley, Pedigo and Stoffregen are also principals of Pedcor Investments, LLC, which has been a developer of affordable housing since 1987. Pedcor Investments has developed 20,000 apartments in 20 different states across the U.S. Pedcor</li></ul>



Investments, LLC is an affiliate of PHC and VCC. Please see attached charts for details regarding the ownership structures of the above-referenced entities.

- David and Terri Bennett and Duane Reindl are principals of Bennett & Reindl, LLC. For over three decades, the principals of the Hilton Head Island, SC-based Bennett & Reindl Companies have been active and successful in aspects of the production, ownership, debt and equity financing, management, and disposition and reuse of affordable rental housing developments. They have combined efforts with the public and private sector to create thousands of affordable rental homes, nationwide, using sophisticated debt and equity investment tools designed to utilize the benefits and incentives available in the Internal Revenue Code and in combination with other programs that address affordable housing creation and retention. Establishing their full time, Hilton Head office in 2009, they have involved themselves in the community from Terri's multi-year term as a member of the Town's Parks & Recreation Commission, to Duane's multi-year position as Scoutmaster of the Boy Scouts of America Troop 245, to David's four-year term as Mayor of the Hilton Head Island from 2014 - 2018.
- Other projects developed by AHP in South Carolina and outside SC:
  - acquisition and rehabilitation of 200-unit multifamily apartments known as Hunt Club Village (Richland County, SC – February 2020)
  - construction and equipment of 120-unit multifamily apartments known as Port Royal Village (Beaufort County, SC – September 2020 (expected))
  - construction and equipment of 64-unit multifamily apartments known as Crystal Glen II (Findlay, OH -- 1998)
  - construction and equipment of 240-unit multifamily apartments known as Knollwood Crossing I (Hamilton, OH – 2000)
  - construction and equipment of 96-unit multifamily apartments known as Autumn Woods I (Crawfordsville, IN – 2002)
  - construction and equipment of 96-unit multifamily apartments known as Autumn Woods II (Crawfordsville, IN – 2002)
- Other projects developed by PHC and VCC, together with information about PHC, VCC and their respective officers and directors, are included in Exhibits C and D, respectively, attached hereto.
- Except as described above, to the knowledge of the Pedcor Principals, none of the Pedcor Principals, the officers and directors of PHC, VCC or their affiliates or the other members of the development team are residents of South Carolina nor are they, in connection with PHC, VCC or their affiliates, presently involved in other projects located in South Carolina.

#### Method

of Bond Sale - The Bonds will be sold in two sub-series (2020A-1 and 2020A-2) by an underwriter (Citigroup Global Markets Inc.), each of which will be secured by letters of credit by United Fidelity Bank and International City Bank and standby letters of credit issued by the Federal Home Loan Banks of Indianapolis and San Francisco, respectively. The letters of credit will be in effect for 18 years from the issue date of the Bonds.

Because the Bonds are payable principally from and secured by the letters of credit (not the borrower), the Bonds are anticipated to bear an investment grade rating equal to the Federal Home Loan Banks ("AA+/A-1+") and will have a very low cost of funds.

The Bonds will bear interest at a short-term variable rate, which resets every week (1.28% as of March 17, 2020<sup>1</sup>). When the Bonds are initially sold, the borrower will execute a floating-to-fixed rate swap agreement in order to fix the interest rate of the Bonds during the term of the letters of credit (1.40% as of March 17, 2020<sup>1</sup>). The borrower will also be responsible to pay the annual fees of the letter of credit banks (1.10%) and trustee/remarketing agent (0.175%). Annual costs (swapped rate plus annual credit fees) are estimated to be 2.675% (as of March 17, 2020<sup>1</sup>).

The maturity date of the Bonds will be 38 years from their issuance (35-year principal amortization period, following 3-year interest-only construction period), but the terms of the letters of credit will be 18 years. At the end of the term of the letters of credit, the borrower will either (1) renew/replace of the letters of credit, (2) refund the Bonds with new refunding bonds or (3) pay off the Bonds.

**Requested**

action/timing - SFAA approval of bond issue; if approved, borrower would request SC Housing Authority to approve final bond resolution at its May 20 meeting

Expected sale/issue date would be early September

Volume cap allocation is not being requested from SFAA (SC Housing Authority intends to allocate from its carry-forward volume cap allocation)

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<sup>1</sup> Rates are subject to change before the Bonds are priced/issued.

# Affordable Housing Partners, Inc.

a 501(c)(3) corporation

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February 2020



## Affordable Housing Partners, Inc. — by the numbers!

- 200+ years of combined professional real estate and finance experience
- 23 years in operation as a qualified 501(c)(3) organization
- 898 apartment homes developed
- Over \$50,000,000 in bond financings utilized
- 75% of apartment homes affordable to families earning less than 80% of the area median income level
- 40% of apartment homes affordable to families earning less than 60% of the area median income level or 20% of apartment homes affordable to families earning less than 50% of the area median income

**Affordable Housing Partners, Inc. (AHP)** was established in 1996 for the charitable purpose of developing, or facilitating the development of, affordable, safe, good quality, well-maintained housing communities. For its own account, AHP has created four new construction developments and one acquisition and rehabilitation development. All AHP developments are designed specifically to produce affordable housing by meeting the rent and income restrictions of the Internal Revenue Service guidelines for 501(c)(3) housing organizations. Innovatively financed, expertly developed, and professionally managed, AHP's quality, sustainable, affordable, residential rental homes harmonize the best affordable housing services possible to achieve its charitable purpose.

**And AHP does even more.** AHP provided much-needed hurricane relief funds to homeless victims in St. Croix, U.S. Virgin Islands. And because AHP understands from experience the critical role of public/private partnerships to creating quality rental homes, it supported affordable housing legislative initiatives in the state of Oregon and provided financial support for Ozone House, a shelter for homeless children in Michigan. AHP is also striving to intervene in the acute challenges that face citizens and communities when quality housing options are absent by establishing a wholly owned subsidiary, the Inclusivity Institute, to design programs to assist and encourage communities to be more inclusive.



**Because AHP has the experience it takes.** AHP's five-member Board of Directors, which operates and manages every aspect of its non-profit endeavors, has first-hand experience in every aspect of real estate development, including specific subject matter expertise in affordable housing.

**Bruce A. Cordingley, President, and a Founding Director**

**Education:**      **BS-Industrial Management, Purdue University**  
                          **Juris Doctor, Harvard Law School**  
                          **MA-Economics, IUPUI**  
                          **MS-International Finance, University of Maryland**



Bruce practiced law as a partner at the Real Estate division of Ice Miller, Indianapolis, Indiana, while investing in real estate for his own account, and developing one of Indiana's premier single-family home subdivisions. Mr. Cordingley set aside the practice of law to create and build Pedcor Investments, LLC, with expert real estate developer Jerry Pedigo. Bruce has served as Pedcor's President and CEO since its creation over 30 years ago. To date, Pedcor and its affiliated companies have developed, built and managed over 18,000 apartment homes across the nation.

In addition to his duties as President and CEO of Pedcor Investments, Bruce is Chairman of United Fidelity Bank of Evansville, Indiana, Chairman of the executive committee of International City Bank, N.A. of Long Beach, California, President and CEO of Pedcor Capital, LLC and Pedcor Bancorp, President and CEO of Pedcor Financial, LLC, and Pedcor Financial Bancorp, and Chairman of Fidelity Federal Bancorp. He is also the President and CEO of Pedcor Investments, LLC. Through the various subsidiaries of the bank holding companies and affiliates of Pedcor Investments, Bruce has directly or indirectly been instrumental in the creation of nearly 20,000 affordable housing units nationwide, using distinct, sophisticated, and expert development and financing tools to create sustainable communities.

Bruce formerly held the roles of director of Eastside Community Investments, Inc., director of the Indianapolis Economic Development Corporation, the Commissioner (1983-1986) and President (1984-1986) of the Indianapolis Historic Preservation Commission, and board member of the Riley Area Revitalization Program. He has served as AHP's President and as a director since its formation in 1996.

#### **J. Brian Chaffin, Director**

**Education:** BS-Finance, Indiana University Kelley School of Business  
MBA, Indiana University Kelley School of Business

Brian has 38 years of banking experience and currently serves as president for Central Illinois Bank with 12 branches in Illinois and Indiana. Prior to his current position, he spent 12 years with the Bank's parent company, CIB Marine Bancshares, and before that with National City Bank and Bank One, as a vice president in their respective commercial lending departments.

#### **Michael Sutton, Director**

**Education:** BS-Accounting, Indiana University

Mike served from 1994 to 1997 as EVP and CLO of United Fidelity Bank. He has also been a senior officer of Citizens Bank in Evansville, Bank of Evansville, and Commerce Bank, from which he recently retired. He also served as President of the Bank of Evansville from 2005 to 2010.

Mike received his BS from Indiana University - Bloomington from the business school in 1977, where he specialized in accounting and earned his CPA designation. After graduation he worked as an accountant and CPA for George S. Olive which merged into what is now BKD, LLP.

**David Maraman, Director**

**Education:** BS-Business Administration with Concentration of Finance and Minor in Economics, Mathematics and Military Science, Western Kentucky University  
 Rutgers University - New Brunswick's Graduate Banking School

Dave's banking experience began as a regulator for the federal Office of the Comptroller of the Currency, where he spent 17 years. Dave also served as President and CEO of two community banks before he finished his career as Regional President for BMO Harris Bank, overseeing business banking for the lender's Florida and Arizona markets with targeted efforts on strategic growth. Dave enjoys banking's ability to provide capital that results in the creation of successful businesses ventures, an expertise he robustly shares with AHP.

**Timothy Marshall, Director**

**Education:** BS-Industrial Management, Purdue University Krannert School of Business  
 MBA, Butler University

Tim Marshall is President and CEO of Arbor Bancorp, Inc., and Bank of Ann Arbor, a locally owned and operated full-service community bank with eight locations in the area of Ann Arbor, Michigan. In 2017, Bank of Ann Arbor was deemed one of the Top 50 U.S. Banks to Work For by the American Banker publication, its third such designation in five years. Under his direction, the bank has grown from approximately \$350 million to nearly \$1.7 billion, and from \$250 million to nearly \$1.6 billion in trust and investment assets. Tim's banking career spans more than 30 years beginning at Indianapolis-based American Fletcher National Bank, then moving to Indianapolis-headquartered Salin Bank & Trust Co. where he was ultimately appointed President, Chief Operating Officer, and Board Director. In July 2004, he joined the Bank of Ann Arbor.

Tim's past and present board member experiences include the Michigan Bankers Association, the Washtenaw County Shelter Association, Cinnaire Investment Corp., Ann Arbor SPARK, the University Musical Society, and the Ann Arbor Economic Development Corporation. In 2011, Tim was appointed to the Federal Reserve Bank of Chicago's Community Depository Institution Advisory Council (CDIAC) and served as its Chair from 2012-2014. He's also a member of the Downtown Rotary Club and has volunteered his time on numerous initiatives with the United Way, American Red Cross, Arbor Hospice, Telling It, Ann Arbor Area Transportation Authority, SOS Community Services, and Chamber of Commerce. Tim is also a Founding Director of AHP.

For additional information, please contact:

Maureen M. Hougland,  
Vice President and Secretary,  
Affordable Housing Partners, Inc.  
770 3rd Avenue Southwest  
Carmel, Indiana 46032  
[maureenh@pedcor.net](mailto:maureenh@pedcor.net)





Below are brief resumes of Gerald K. Pedigo, Bruce A. Cordingley and Phillip Stoffregen.

**Gerald K. Pedigo, Chairman of the Board**

Mr. Pedigo has been involved in residential and commercial real estate development since 1958. He attended Butler University and subsequently was employed in the business of single-family construction and sales.

In 1962, Mr. Pedigo began his own firm while constructing approximately 400 homes and expanded his business to include commercial and industrial activities. Beginning in 1966, Mr. Pedigo concentrated on the commercial side of the construction business, forming Gerald K. Pedigo Corporation to provide real estate development services; Pedigo Construction Company, Inc. to provide construction services; and Pedigo & Associates to provide management services. His involvement included all facets of the industry including construction, ownership, marketing/leasing and management. He completed over 100 commercial and office buildings from \$100,000 to \$8,000,000. He was also a partner in several partnerships that owned and developed commercial and residential properties in Indiana, Florida, and Tennessee.

In 1986, as the tax shelter incentives were being revised, Mr. Pedigo sold the majority of his holdings and concentrated on general construction. In 1987, he joined Bruce Cordingley in forming Pedcor Investments to pursue affordable housing development.

Mr. Pedigo is a Director of the Executive Committee of International City Bank, (Long Beach and San Diego, California) and Director of Fidelity Federal Bancorp (Evansville, Indiana). He is Chairman of Pedcor Bancorp, the bank holding company for International City Bank, and Pedcor Financial, LLC, the holding company for United Fidelity Bank. He is a member of the Murat Shrine in Indianapolis and various trade associations as well as godfather in St. Mary's Child Center.

**Bruce A. Cordingley, President & CEO**

Bruce Cordingley is the President and CEO of the Pedcor Companies, a privately held group of over 200 companies, engaged in: (i) the development, construction, ownership and management of real estate and (ii) in finance and insurance. The Pedcor Companies started their activities in 1987 developing affordable housing in Indianapolis, Indiana.

The Pedcor Companies currently have over 650 employees located in fourteen states with 150 employees located at its headquarters at Pedcor Square in Carmel, Indiana. The Pedcor Companies own and manage over 15,000 apartments which they had previously developed and built. The Pedcor Companies also include two bank holding companies, a savings bank, a commercial bank, and two insurance companies. In a public/private partnership with the City of Carmel, the Pedcor Companies have developed in Carmel's new City Center and in the Arts and Design district several Georgian style developments including: Carmel City Center (a mixed use midrise development), Pedcor Square (an

office campus), The Indiana Design Center (one of 20 design centers in the U.S.) and the Old Town Shops (in the Arts District).

Bruce had previously been a partner with the law firm of Ice Miller specializing in real estate development and finance until 1990 when he left to spend full time on The Pedcor Companies. He served in the U.S. Army as a reserve officer until 1976 when he was honorably discharged as a Captain.

Bruce received his BSIM in Industrial Management (Purdue University, 1968), Juris Doctor (Harvard Law School, 1971), MA in Economics (Indiana University, 2002), completed Graduate courses in Mathematical Finance (Oxford University, 2002-2003), and an MS in International Finance (University of Maryland, 2006). He is a member of the bar in Indiana and Massachusetts and is a licensed real estate broker.

Bruce is happily married to Denise Cordingley (formerly a French teacher at Park Tudor), and they have three children, Alison (a real estate developer with The Pedcor Companies), Desiree (a money manager with Bessemer Trust in New York City), and Exton (a Captain and JAG officer in the U.S. Army), and five grandchildren.

**Phillip Stoffregen, Executive Vice President and Chief Operating Officer**

Mr. Stoffregen has been involved in commercial and residential development and financing since 1984. He graduated in 1980 from Indiana University (BS-Business Finance) with departmental honors. In 1981 he received his MBA degree from Indiana University (Financial Economics). In 1984 he graduated with Honors from the Indiana University School of Law and joined Ice Miller Donadio and Ryan, Indianapolis, Indiana, as an associate, becoming a partner active in both the Real Estate and Municipal Finance Sections of the firm in 1991. His legal practice focused on taxable and tax-exempt financing for, and development of, single-family and multifamily housing. Mr. Stoffregen served in a bond counsel capacity to the Indiana Housing Finance Authority and other Indiana issuers for various housing related tax-exempt bond-financing programs. He represented numerous for-profit and not-for-profit multifamily housing developers, lenders and investors, primarily in the area of low income housing tax credit, financing and development issues.

In 1992, Mr. Stoffregen withdrew from Ice Miller and joined Pedcor Investments, LLC as a Principal where he is directly responsible for apartment development, construction and financing activities. Pedcor Investments, LLC and its affiliates have developed in excess of 21,000 apartments since inception, most of which participate in the low income housing tax credit program. He is currently Executive Vice President and COO of Pedcor Investments, LLC.

Mr. Stoffregen is a Director/Member of the Executive Committee/Executive Vice President of Fidelity Federal Bancorp which is the holding company for United Fidelity Bank, Evansville, Indiana and a Director/Executive Vice President of Pedcor Capital, LLC and Pedcor Financial, LLC, which are upper tier bank holding companies for International City Bank, Long Beach, California and United Fidelity

Bank, respectively. Mr. Stoffregen and his partners in Pedcor Investments, LLC own and control such bank holding companies.

In 2015, Mr. Stoffregen began his tenure on the Board of Directors for The Affordable Housing Tax Credit Coalition (AHTCC), a trade organization for affordable rental housing that seeks to preserve, expand and improve the Housing Credit and complementary programs through legislative outreach and education. Since 2012, Mr. Stoffregen has served on the Urban Land Institute (ULI), a nationally recognized organization in the fields of development, land use and urban planning, where he is a member of the Affordable/Workforce Housing Council. Mr. Stoffregen also served as a director of the Martin Luther King Community Development Corporation (1991 to 2000), and as a member of the board of directors for Coburn Place Safehaven, Inc., a not-for-profit operating transitional housing for victims of domestic violence (1996 to 2012), serving stints as Board Chairman for both groups.



# PEDCOR CAPITAL COMPANIES

The Pedcor Principals (Gerald K. Pedigo, Bruce A. Cordingley, and Phillip J. Stoffregen) own all of the stock, either directly or indirectly, of Pedcor Capital, LLC. The Pedcor Principals are also the principals of Pedcor Investments, LLC, one of the largest affordable housing developers in the United States.

**PEDCOR CAPITAL, LLC**  
(Savings & Loan Holding Company – FHC election)

**PEDCOR BANCORP (PB)**  
(SLHC with FHC election – 100% owned by PCAP)

**AMERICAN CAPITAL BANCORP (ACB)**  
(SLHC with FHC election – 93.25% owned by PB)

**INTERNATIONAL CITY BANK (ICB)**  
(a federal savings bank 100% owned by ACB)

**PEDCOR HOUSING CORPORATION**  
(100% owned by ICB)



# PEDCOR FINANCIAL COMPANIES

The Pedcor Principals (Gerald K. Pedigo, Bruce A. Cordingley, and Phillip J. Stoffregen) own all of the stock, either directly or indirectly, of Pedcor Financial, LLC. The Pedcor Principals are also the principals of Pedcor Investments, LLC, one of the largest affordable housing developers in the United States.

**PEDCOR FINANCIAL, LLC**  
(Savings & Loan Holding Company – FHC election)

**PEDCOR FINANCIAL BANCORP (PFB)**  
(SLHC with FHC election – 100% owned by PFIN)

**FIDELITY FEDERAL BANCORP (FFED)**  
(SLHC with FHC election – 97.10% owned by PFB)

**UNITED FIDELITY BANK, FSB (UFB)**  
(a federal savings bank 100% owned by FFED)

**VILLAGE CAPITAL CORPORATION**  
(100% owned by UFB)

## Pedcor Housing Corporation Resume

**770 3<sup>rd</sup> Ave. SW  
Carmel, IN 46032**

Pedcor Housing Corporation is a California corporation and is in the business of development, financing and ownership of affordable housing. Pedcor Housing Corporation is managed by its Board of Directors, Gerald K. Pedigo, Bruce A. Cordingley, Michael Miller, Jean Bixby Smith, and James Sullos, Jr. Pedcor Housing Corporation ("PHC") is a wholly owned subsidiary of International City Bank, N.A. (Long Beach, CA), which owns 100 shares.

Pedcor Housing Corporation Officers are as follows:

Gerald Pedigo	Chairman
Bruce Cordingley	President & CEO
Phillip Stoffregen	Executive Vice President
Alison S. Birge	Executive Vice President
Melissa Averitt	Executive Vice President
Douglas Boggs	Executive Vice President
Michael Miller	Senior Vice President
Richard McCool	Senior Vice President
Ronald Brown	Senior Vice President & General Counsel
Laurie Siler	Senior Vice President
Kelly George	Senior Vice President & CAO
Abigail Frantz	Senior Vice President & Assistant Secretary
Allie Brown	First Vice President, Treasurer & CFO
Maureen Hougland	Vice President & Secretary
Jason Schnellenberger	Vice President & Counsel
Troy Meyers	Assistant Vice President
Cole Leamson	Assistant Vice President

### **Investment Summary**

PHC was formed in 1996 to own and place debt and equity interests in real estate. In the late 1990s and 2000s, it generated substantial profits from acquisition/rehabs in affordable housing developments and public welfare investments, primarily in California, Arizona, and Indiana.

In 2018, PHC began acquiring land for new construction development alongside its affiliate, Village Capital Corporation ("VCC"). In January 2018, PHC purchased approximately 2.3 acres in Colorado Springs, CO alongside an affiliate for the future construction of LIHTC units in two phases.

In June 2018, PHC purchased 20 acres along Alpha Parkway in Rochester, MN with an affiliate for the future construction of 240 units. PHC sold its interest in phase I to VCC, which began constructing the first phase of 128 units (60% Area Median Income) in fall 2019. PHC holds an interest in the remaining 7.46 acres for future phase II.

In December 2018, PHC along with VCC acquired 15.76 acres in Thornton, CO for the future development of 283 units (a majority of the units will be rented to low- to moderate-income individuals). Construction began on the Village at Thorncreek in January 2020.

In April 2019, PHC began construction on the Holland Building at Carmel City Center. This public welfare investment is located in an area targeted for redevelopment and will be a mixed-use building with 48 residential units and commercial space.

In September 2019, PHC and VCC acquired 28.04 acres in Charlotte, NC for future development. The plan is to develop 216 units on the site (HUB on Harris).

In January 2020, VCC and PHC acquired 11.134 acres in San Antonio, TX for the future development of 150 units at Northview Apartments. PHC anticipates closing in December 2020.

In addition to its development portfolio, PHC also has acquired older properties for rehabilitation. PHC currently owns two properties (Trinity Apartments and Riverwalk Apartments) in the Fort Myers, Florida area that are rented to primarily low- to moderate-income individuals.

**Village Capital Corporation**  
**770 3<sup>rd</sup> Ave. SW**  
**Carmel, IN 46032**

Village Capital Corporation is incorporated under the laws of the state of Indiana with its principal place of business at Evansville, Indiana, and is a wholly-owned subsidiary of United Fidelity Bank, fsb.

Fidelity Federal Capital Corporation was formed on April 25, 1994. The name was changed to Village Capital Corporation ("VCC") in 1997. Village Management Corporation, a sister company, was merged into Village Capital Corporation in December 2003.

**Board of Directors**

John R. Cunningham, Chairman of Board  
Donald R. Neel, Director  
Barry A. Schnakenburg, Director

**Officers**

Bruce A. Cordingley, Chairman  
Donald R. Neel, President  
Alison Birge, Executive Vice President  
Melissa Averitt, Executive Vice President  
Laurie Siler, Senior Vice President  
Abigail Frantz, Senior Vice President & Secretary  
Jacob Kuhn, Senior Vice President  
Allie Brown, First Vice President, Treasurer & CFO  
Jason Schnellenberger, Vice President & Counsel  
Douglas Boggs, Vice President  
Craig Lintner, Vice President  
Troy Meyers, Assistant Vice President  
Cole Leamson, Assistant Vice President

**Investment Summary**

VCC was formed in 1994 to own and place debt and equity interests in real estate. In the late 1990s it generated substantial fees in the affordable housing industry and pioneered the utilization of tax-exempt financing for affordable housing.

Following a hiatus, in 2007 VCC made a successful \$2.1M investment in Alison Pointe II, a 128-unit affordable housing complex in Foley, Alabama, utilizing a Hurricane Katrina-era program. The property was sold upon completion and generated substantial income.

In August 2008, VCC acquired a 73% LP interest in Trotters Pointe I, a 256-unit multi-family apartment complex in Greenwood, IN. The development utilizes fixed-rate HUD financing. VCC subsequently sold this development in 2017.

In August 2014, VCC completed construction on the Aurum apartment complex in South Bend, IN. The project features 60 market based, one and two bedroom units. VCC subsequently sold this project in 2014.

In May 2014, VCC completed Trotters Pointe Apartments IV in Greenwood, IN. The project is comprised of 24 tax credit units at the 60% Median Income threshold. VCC sold this property to an affiliate in 2014 and retains a small ownership interest.

In June 2014, VCC completed Franklin Cove Apartments II, in Indianapolis, IN. The project contains 64 tax credit units at the 60% Median Income threshold. VCC sold this property to an affiliate in 2014 and retains a small ownership interest.

In December 2015, VCC completed Delaware Trace II in Evansville, IN. The project is comprised of 80 tax credit units at the 60% Median Income threshold, as well as 8 units set aside for special needs members of the population. VCC sold this property to an affiliate in 2016 and retains a small ownership interest.

In April 2017, VCC completed Clay Terrace II in Kansas City, MO. The project is comprised of 48 tax credit units at 60% of Area Median Income. VCC sold this property to an affiliate in 2017 and retains a small ownership interest.

In May 2017, VCC began construction on River Glen I & II in Rochester, MN. River Glen I is comprised of 128 tax credit units at 60% of Area Median Income. River Glen II is comprised of 80 market rate units. Construction on both phases is expected to be completed in 2019.

In July 2017, VCC completed Prairie Meadows II in Greenfield, IN. The project is comprised of 76 tax credit units at the 60% Median Income threshold. VCC sold this property to an affiliate in 2018 and retains a small ownership interest.

In January 2018, VCC began purchasing parcels of land for future development as tenants in common with its affiliate, Pedcor Housing Corporation ("PHC"), a subsidiary of International City Bank. VCC and PHC purchased approximately 29.91 acres in Colorado Springs, CO for the future construction of LIHTC units in two phases. VCC sold approximately 16 acres in March 2020 to an affiliate for a LIHTC development and dedicated 6.5 acres near the creek to the City. VCC intends to hold the remaining 4.5 acres for future development of LIHTC units.

In June 2018, VCC and PHC purchased 20 acres along Alpha Parkway in Rochester, MN with an affiliate for the future construction of 240 units. VCC began constructing the first phase of 128 units (60% Area Median Income) in fall 2019 and holds an interest in the remaining 7.46 acres for future phase II.

In June 2018, VCC acquired land for development as a public welfare investment in Carmel, IN (the Kent Building) in an area targeted for redevelopment. VCC is currently constructing 83 units of market rate housing.

In September 2018, VCC purchased 23.203 acres in Buford, GA for future affordable housing development. The plan is to construct 256 units rented to primarily low- to moderate-income individuals.

In December 2018, VCC and PHC acquired 15.76 acres in Thornton, CO for the future development of 283 units (a majority of the units will be rented to low- to moderate-income individuals). Construction began on the Village at Thorncreek in January 2020.

In March 2019, VCC acquired 11.634 acres in Austin, TX for future development. The plan is to develop 216 affordable units (Grand Station).

In April 2019, VCC began construction on the Playfair Building at Carmel City Center. This public welfare investment is located in an area targeted for redevelopment and will be a mixed-use building with 64 residential units and commercial space.

In September 2019, VCC and PHC acquired 28.04 acres in Charlotte, NC for future development. The plan is to develop 216 units on the site (HUB on Harris).

In January 2020, VCC and PHC acquired 11.134 acres in San Antonio, TX for the future development of 150 units at Northview Apartments. VCC anticipates closing in December 2020.

In addition to its affordable housing development portfolio, VCC also has acquired older properties for rehabilitation. VCC currently owns five properties (Woodside Villas, Palm Villas, Aaron Lakes Apartments, Residences at Page Park, and Sand Cove) in the Fort Myers, Florida area that are rented to primarily low-to moderate-income individuals. In addition, these investments assist with CRA credit for UFB's Fort Myers branch.



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 05/12/20

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: South Carolina State Housing Finance & Development Authority Series: 2020  
Borrower (if not Issuer): Broad River Village, LP  
Bond Caption: Multifamily Housing Revenue Bonds  
Bond Resolution Amount: \$21,850,000.00 Est. Production/Par Amt: \$21,850,000.00

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

Final Production/Par Amt: \$0.00

#### Submitted By:

ENTITY: Broad River Village, LP  
BY: Village Capital Corporation  
ITS: Developer  
Tel: 317-705-7933  
Email: abirge@pedcor.net

#### Transaction Type/Method of Sale:

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

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): NMSRB (EMMA) Continuing Disclosure Responsible Party: N/A

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: Broad River Village  
Project Address/Location: SE Corner of Ashton Overlook Drive and SR Amount: \$21,850,000.00  
Project Type: Multifamily Residential County: Beaufort  
Projected Avg Interest Rate: TBD Final Maturity: 38 years

### 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 Svc (% of Ref. Bd)
N/A		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

### 4. FINANCING WORKING GROUP

Financial Advisor: \_\_\_\_\_ Disclosure Counsel: \_\_\_\_\_  
Bond Counsel: Burr Forman McNair and Ice Miller Issuer's Counsel: Tracey Easton, General Counsel  
Underwriter: Citi Community Capital Trustee: BNY Mellon Trust Company N.A.  
Paying Agent: \_\_\_\_\_ Other: Ice Miller (LOC Bank Counsel)

### 5. FINANCING/PROJECT DESCRIPTION

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

Broad River Village will be a newly constructed 160-unit multifamily apartment community located in Port Royal, Beaufort County, SC. The project will be financed by tax-exempt private-activity bonds sold in the capital markets and investor equity brought in through the use of 4% Low Income Housing Federal Tax Credits. The project is estimated to cost \$35,656,135. The basis for these costs come from developer and contractor estimates.

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: <u>03/30/20</u>	
JBRC Approval: <u>00/00/00</u>	N/A
SFAA Approval: <u>05/12/20</u>	Proposed

Project Approvals - Phase II (State Entities Only)	Notes:
Issuer/Borrower Approval: <u>00/00/00</u>	
JBRC Approval: <u>00/00/00</u>	
SFAA Approval: <u>00/00/00</u>	

### 7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)

Yes No

☒

b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?

☒

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

Sq. Footage - entire project  
Cost Estimate - \$0

B.



Est. Expenditures - Through 6 Months  
 Est. Expenditures - Through 12 Months  
 Est. Expenditures - Through 18 Months  
 Est. Expenditures - Through 24 Months  
 Est. Expenditures - Through 36 Months  
 Est. Expenditures - Through 48 Months  
 - Estimated Expenditures: Thru FY:

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 11,250,000.00	2/1/2021	Land acquisition, closing costs, professional fees, sitework
\$ 7,000,000.00	8/1/2021	Construction costs & professional fees
\$ 3,600,000.00	2/1/2022	Construction costs & professional fees
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 21,850,000.00		

## 8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par (b) Premium/Accr. Int.	\$ 21,850,000.00	\$ 27,332,749.00	Project Fund
(2) Issuer/Borrower Contr. - UHTC	\$ 12,649,540.00	\$ 211,500.00	Capitalized Interest Fund
(3) Debt Service Fund Trans.	\$	\$	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$	\$	Redemption Price/Escrow Deposit
(5) Other (Specify) Type - Def Dev Fees	\$ 1,204,032.00	\$ 620,438.00	Cost of Issuance (Incl. UW Disc.)
<b>Residual Project Sources</b>		\$ 1,412,511.00	Construction Period Interest
(6) Other (a) GF - (a) FF - (c) OF -	\$	\$ 1,133,518.00	Land
		\$ 1,992,856.00	Soft Costs
		\$ 3,000,000.00	Developer Fee
		\$	Other
		\$	Other
		\$	Other
		\$	Other
<b>Total Project Sources</b>	\$ 35,703,572.00	\$ 35,703,572.00	<b>Total Project Uses</b>
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	N/A			\$	\$	\$
Bond Counsel	Miller			\$ 160,000.00	\$	\$ 160,000
Disclosure Counsel	None			\$	\$	\$
Issuer's Counsel	Tracey Easton			\$	\$	\$
Underwriter's Counsel	Norris George & Ostrow			\$ 35,000.00	\$	\$ 35,000
Transaction/LOC Counsel	Ice Miller			\$ 40,000.00	\$	\$ 40,000
Legal Expenses	N/A			\$ 50,000.00	\$	\$ 50,000
Trustee & Trustee Counsel	BNY Mellon			\$ 12,000.00	\$	\$ 12,000
Rating Agency - S&P	S&P			\$ 12,500.00	\$	\$ 12,500
Rating Agency - Moody's	N/A			\$	\$	\$
Rating Agency - Fitch	N/A			\$	\$	\$
Underwriter's Compensation	Citigroup Global Markets			\$ 136,563.00	\$	\$ 136,563
Registrar / Paying Agent				\$	\$	\$
Escrow Agent	N/A			\$	\$	\$
Accountant	Dauby O'Connor & Zaleski			\$ 10,000.00	\$	\$ 10,000
Verification Agent	N/A			\$	\$	\$
Printing	Image Master			\$ 500.00	\$	\$ 500
Publishing	N/A			\$	\$	\$
Advertising	N/A			\$	\$	\$
Contingency	N/A			\$	\$	\$
Issuer's Fee	SC JEDA / SC SHFDA			\$ 163,875.00	\$	\$ 163,875
				\$ 620,438.00	\$	\$ 620,438

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

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

0.00%	#DIV/0!
0.73%	#DIV/0!
1.36%	#DIV/0!
0.06%	#DIV/0!

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

0.63%	#DIV/0!
0.80%	#DIV/0!
2.84%	#DIV/0!





**Emily S. Luther**

**Partner**

Telephone: 803.253.6841

Direct Fax: 803.255.8017

[emilyluther@parkerpoe.com](mailto:emilyluther@parkerpoe.com)

Atlanta, GA  
Charleston, SC  
Charlotte, NC  
Columbia, SC  
Greenville, SC  
Raleigh, NC  
Spartanburg, SC  
Washington, DC

April 3, 2020

**VIA EMAIL AND HAND DELIVERY**

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

**Re:**

***Not Exceeding \$11,000,000  
South Carolina State Housing Finance and Development Authority  
Multifamily Housing Revenue Note  
(Waters at Ribaut)  
Series 2020***

Dear Delbert:

The South Carolina State Housing Finance and Development Authority ("Authority") proposes to issue its Multifamily Housing Revenue Note (Waters at Ribaut) Series 2020 ("Note") in an aggregate principal amount of not exceeding \$11,000,000. On behalf of the Authority, I am writing to request approval of the Note by the State Fiscal Accountability Authority ("SFAA") at its meeting scheduled for May 12, 2020. I have enclosed the following documents in support of this request:

1. Completed SFAA transmittal form;
2. Preliminary Resolution adopted by the Board of Commissioners of the Authority on March 30, 2020;
3. Petition of the Authority to the SFAA;
4. A form of the approving Resolution to be considered for adoption by the SFAA on May 12, 2020;
5. A form of a Notice of Action;
6. A form of bond counsel's opinion letter;
7. An organizational chart of the Sponsor (as defined herein); and
8. Biographies of each of the principals of the Sponsor.

A New Debt Information Form with respect to the Note will be submitted to the Office of the State Treasurer under separate cover, and I will provide you with a copy.

C.

The Authority anticipates that it will use the proceeds of the Note to make a mortgage loan to Waters at Ribaut, LP, a South Carolina limited partnership ("Sponsor"), for the acquisition, rehabilitation and equipping of a 60-unit multifamily affordable housing development located in the City of Beaufort, South Carolina ("Development"). The Development will be known as Waters at Ribaut.

In the Petition, the Authority has requested the SFAA delegate to the State Treasurer the power to grant, on behalf of the SFAA, the final approval for the issuance of the Note following receipt by the State Treasurer of information with respect to the final details of the Note (including the size, date, maturity schedule, and repayment provisions), the annual debt service requirements of the Authority on all of its outstanding bonds and notes, and the method to be employed in selling the Note. Pursuant to Section 31-13-220 of the Act, this information will be provided to the State Treasurer, as the designee of the SFAA, prior to the issuance of the Note.

Finally, the Authority and the Sponsor have enclosed with this submission certain preliminary schedules for consideration by the SFAA showing (A) the current annual debt service requirements on all outstanding notes and bonds of the Authority, and (B) the expected amount and source of revenues available for the payment of the debt service requirements of the Note.

Thank you for your assistance. We recognize the present social distancing conditions mandated by the novel coronavirus could affect the SFAA's meeting schedule and procedures. We will monitor the SFAA's website for any changes. Please do not hesitate to contact me if you have any questions or need any additional information.

Sincerely,



Emily S. Luther

Enclosures: stated

cc via email w/encls: Tracey Easton, General Counsel; Director of Legal & Human Resources  
Kevin Kibler, Senior Assistant State Treasurer  
Robert Macdonald, Assistant State Treasurer  
Laurie Fuller, Office of the Executive Director, SFAA

## TRANSMITTAL FORM, REVENUE BONDS

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

**DATE:** April 3, 2020

**Submitted for SFAA Meeting on:**

May 12, 2020

**FROM:**

Parker Poe Adams & Bernstein LLP  
Name of Law Firm

1221 Main Street, Suite 1100  
Street Address/Box Number

Columbia, South Carolina 29201  
City, State, Zip Code

803.255.8000  
Area Code/Telephone Number

**RE:**

\$11,000,000  
Amount of Issue

South Carolina State Housing Finance and  
Development Authority  
Name of Issuing Authority

Multifamily Housing Revenue Note  
Type of Bonds or Notes

on or around June 30, 2020  
Projected Issue Date

**Project Name:** Waters at Ribaut

**Project Description:** See Attachment A

**Employment as a result of the project:** N/A

**Ceiling Allocation Required**

☒ Yes (\$11,000,000) ☐ No

Amount

**Refunding Involved**

☐ Yes (\$) ☒ No

Amount

**Project Approved Previously**

☐ Yes (\$) ☒ No

Amount

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

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. ☒ Petition
- B. ☐ Resolution or Ordinance
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☒ State Fiscal Accountability Authority Resolution and Public Notice (*original*)

Plus 1 copies for certification and return to bond counsel

- F. ☒ Draft bond counsel opinion letter

- G. ☐ Processing Fee

Amount: \$ \_\_\_\_\_

Payor: \_\_\_\_\_

Check No: \_\_\_\_\_

Bond Counsel: Parker Poe Adams & Bernstein LLP  
Typed Name of Bond Counsel

By:  \_\_\_\_\_

## **ATTACHMENT A TO TRANSMITTAL FORM**

The South Carolina State Housing and Finance and Development Authority (“Housing Authority”), has proposed to issue its Multifamily Housing Revenue Note (Waters at Ribaut) Series 2020, in the aggregate principal amount of not exceeding \$11,000,000 for the purpose of funding a mortgage loan to Waters at Ribaut, LP, a South Carolina limited partnership (the “Sponsor”), to provide a portion of the financing needed for the acquisition and rehabilitation of a 60-unit multifamily affordable housing development located in the City of Beaufort, South Carolina, to be known as Waters at Ribaut (the “Project”). The Project consists of garden-style apartment buildings and townhomes with two- and three-bedroom dwelling units. The Project will provide housing for families earning 60% or less of the area median income.

The Sponsor has represented to the Housing Authority that it will spend approximately \$69,000 per unit to upgrade and improve the interior and exterior of the Project. Interior upgrades will include asbestos remediation, improvements to or replacement of the flooring, fixtures, appliances, cabinets and countertops and energy-efficient upgrades including energy efficient windows and HVAC improvements. Exterior improvements will include new siding and gutters and preservation or improvements to the shared amenities (e.g. community center, picnic areas, playground, laundry center). The intent of the rehabilitation is to restore the Project, first constructed in 1970, to a “like-new” condition.

The Project is subject to a project-based Section 8 Housing Assistance Payment (HAP) Contract, which covers 100% of the units. The Sponsor does not anticipate that the rehabilitation will take longer than 12 months.

## A RESOLUTION

### **MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$11,000,000 AGGREGATE PRINCIPAL AMOUNT OF A MULTIFAMILY HOUSING REVENUE NOTE (WATERS AT RIBAUT) SERIES 2020 OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY AND OTHER MATTERS RELATED THERETO.**

**WHEREAS**, pursuant to the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977 (codified at Sections 31-13-10 to 31-13-340, inclusive, of the Code of Laws of South Carolina 1976), as amended, (the “*Act*”), the South Carolina State Housing Finance and Development Authority (the “*Authority*”), hereby determines that sufficient persons or families of either beneficiary class (as defined by the Act) (the “*Beneficiary Classes*”) are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need therefore;

**WHEREAS**, on the making of such determination, the Authority may issue bonds or notes, subject to the conditions set forth in the Act, for the purpose of, among other things, obtaining funds to make (1) construction or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction or rehabilitation of residential housing for rental or purchase by the Beneficiary Classes;

**WHEREAS**, prior to issuing its bonds or notes, the Authority must obtain the approval of the South Carolina State Fiscal Accountability Authority (the “*State Board*”); and

**WHEREAS**, Waters at Ribaut, LP, a limited partnership duly organized under the laws of the State of South Carolina (the “*Sponsor*”), has applied to and requested the Authority to assist the Sponsor by issuing a note to be known as Multifamily Housing Revenue Note (Waters at Ribaut) Series 2020, in the aggregate principal amount of not exceeding \$11,000,000 for the purpose of making a loan (the “*Mortgage Loan*”) to the Sponsor for the acquisition, rehabilitation and equipping of a 60-unit apartment development located in the City of Beaufort, Beaufort County, South Carolina, to be known as Waters at Ribaut (the “*Project*”).

**NOW, THEREFORE, BE IT RESOLVED BY THE BOND COMMITTEE OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED:**

Section 1.      Adoption of Premises. Each statement of fact set forth in the preamble hereto has been carefully examined and has been found to be in all respects true and correct.

Section 2.      Undertakings of the Authority. In the event the Sponsor meets the requirements set forth herein and in the Act and in order to provide the moneys required to finance the Mortgage Loan, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection therewith, the Authority will undertake to issue a note to be designated as “South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Note (Waters at Ribaut) Series 2020” (with any appropriate series or subseries designations) in the aggregate principal amount of not exceeding \$11,000,000 (the “*Note*”).

Any obligation of the Authority hereunder is subject to (a) the requirements that (i) the Project shall have received such local approval as is required under the Act, if any, (ii) the Authority approve the items which may be included in any required charges (rent plus any other mandatory payments) to occupants of the Project, and (iii) the Note be approved by the State Board; and (b) the right of the Authority in its sole discretion, to rescind this Resolution and to elect not to issue such Note at some future date.

Section 3. Obligation of Sponsor. If the Project proceeds as contemplated, the Sponsor agrees as follows:

(a) to make its Project available for occupancy by persons in the Beneficiary Classes for such period and subject to such conditions as the Authority may determine;

(b) to provide such security for any of its obligations or mortgages to the Authority, or of the obligations of any other person to the Authority, as the Authority may, in its sole discretion request which such security may include federal mortgage insurance or federal agreements to make payments adequate to pay amounts due by such Sponsor or such other person;

(c) to enter into a mortgage loan agreements with respect to its Project or amendments to its existing mortgage loan documents with respect to its Project, if any, on such terms and conditions as the Authority may deem necessary or desirable;

(d) to pay all costs and expenses incurred by the Authority, including its reasonable counsel fees, in furtherance of the undertakings of the Authority hereunder, regardless of whether any bonds or notes are issued with respect to its Project;

(e) to provide the Authority with such information and material with respect to its Project, including financial statements and information, reports, tests, surveys, appraisals, plans, specifications, drawings, occupancy rates or rent rolls, studies or feasibility studies, legal opinions, descriptions, and access for inspection of its Project or any other such items as may be requested by the Authority; and

(f) to enter into such agreements including such disclosure agreements as may be required to meet the requirements of Rule 15c2-12(b)(5) promulgated by the U.S. Securities and Exchange Commission, execute such documents and provide such proofs or evidence as the Authority may, in its sole discretion, request in connection with its undertakings hereunder.

Section 4. Termination. The Authority or the Sponsor may elect not to proceed with the issuance of the Note. The Authority shall not be obligated hereby to the Sponsor or any other person by virtue of the adoption of this resolution. Neither the Sponsor nor any other person shall have any rights hereunder and the Authority shall not be liable in any way to the Sponsor or any other person for any decision it makes not to proceed hereunder regardless of any action taken by the Sponsor or such other person whether known or unknown to the Authority.

Section 5. Sale of Note; Purchase Contract. The Chairman and the Executive Director of the Authority are hereby authorized to sell the Note to a purchaser to be designated by the Executive Director (the "**Purchaser**") pursuant to the terms and conditions of a purchase contract or funding agreement the terms of which shall contain the terms and conditions employed by the Authority with respect to the Authority for the sale of its notes and bonds or as are approved by the Executive Director on receipt of advice from counsel to the Authority. The authority hereby conferred may be exercised as long as the interest rate of the Note does not exceed the limitations or contravene the conditions as described in the Act and (i) the Note is rated in one of the three highest rating categories (without regard to subcategories) by either Moody's Investors Services, Inc. or S&P Global Ratings or (ii) the Note is to be purchased directly for investment. The purchase price of the Note shall be determined by the Chairman and the Executive

Director but in no event shall be less than 97.5 % of par plus accrued interest on the Note from its date to the date of delivery thereof.

Section 6.     No Waiver of Existing Rights of Authority. Notwithstanding anything herein to the contrary, nothing in this resolution shall be construed as a waiver of any default under an existing mortgage loan or a modification of any rights of the Authority, and no such waiver or modification shall be effected except by the express written agreement of the Authority delivered subsequent to the date hereof.

Section 7.     Petition to State Board. The Chairman, the Executive Director, counsel to the Authority, or any of them, working with bond counsel are authorized and directed to prepare and present to the State Board the request prescribed by Section 31-13-220 of the Act, the form of which has been provided to the Authority, that among other things, sets forth the pertinent terms and provisions relating to the Note, determined as provided in this Resolution, and the outstanding bonds and notes of the Authority.

Section 8.     Designation of Fiduciaries. The Chairman and the Executive Director are hereby authorized and directed to designate the Trustee and any paying agent and registrar under the financing documents to be entered into with respect to the Note.

Section 9.     General Authority. The Commissioners of the Authority and its appropriate officers, attorneys, agents, and employees are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual, and complete performance of all the terms, covenants, and purposes contained in the Note and this Resolution, and each such Commissioner, officer, attorney, and employee is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

Section 10.    Expiration. This Resolution, if not renewed, will expire on a date which is twelve (12) months from the date of its adoption by the Bond Committee.

Section 11.    Miscellaneous. All orders and resolutions or any parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This Resolution shall take effect and be in full force from and upon its adoption by the Bond Committee.

Section 12.    Non-Transferable. This Resolution may not be transferred by the Sponsor. No attempted sale or other transfer of this Resolution shall be valid or binding upon the Authority.

**STATE OF SOUTH CAROLINA**

**COUNTY OF LEXINGTON**

I, the undersigned Secretary of the Board of Commissioners (the "*Board of Commissioners*") of the South Carolina State Housing Finance and Development Authority (the "*Authority*") do hereby certify that I am the duly qualified and acting Secretary to the Board of Commissioners and as such further certify that attached hereto is a true and correct copy of the Resolution adopted by the Bond Committee of the Board of Commissioners of the Authority at a meeting duly called and held on the 30<sup>th</sup> day of March 2020, at which meeting a quorum was present and acting throughout, and that said Resolution has not been modified, amended, or repealed and is in full force and effect on the date hereof.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the Authority this 1st day of April 2020.

**SOUTH CAROLINA STATE HOUSING FINANCE  
AND DEVELOPMENT AUTHORITY**

**By:**



Bonita Shropshire, Secretary  
Board of Commissioners



STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

PETITION

TO THE STATE FISCAL ACCOUNTABILITY  
AUTHORITY OF SOUTH CAROLINA

WATERS AT RIBAUT  
PROJECT

The South Carolina State Housing Finance and Development Authority (the "**Authority**") submits this petition to the State Fiscal Accountability Authority of South Carolina (the "**SFAA**") pursuant to the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended (the "**Act**") and respectfully shows:

1. The Act, among other things, provides that whenever the Authority has determined by resolution that sufficient persons and families of either beneficiary class (as defined in the Act) (the "**Beneficiary Classes**") are unable to pay the amounts at which private enterprise is providing decent, safe and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe and sanitary housing will become available to members of the Beneficiary Classes in need therefore, then, on receipt of approval from the SFAA, the Authority is authorized, subject to the conditions set forth in the Act, to issue from time to time its notes and bonds for the purpose of, among other things, obtaining funds with which to make (a) construction loans secured by mortgages of housing sponsors (as defined in the Act), or of persons or families of the Beneficiary Classes; and (b) permanent mortgage loans to housing sponsors who agree to and are required to provide for construction or rehabilitation of residential housing (as defined in the Act) for rental by persons or families the Beneficiary Classes;

2. Waters at Ribaut, LP (the "**Sponsor**"), has applied to and requested the Authority to assist the Sponsor by issuing a note, anticipated to be designated as Multifamily Housing Revenue Note (Waters at Ribaut) Series 2020 ("**Note**"), in the aggregate principal amount of not exceeding \$11,000,000 for the acquisition, rehabilitation and equipping of a 60-unit multifamily development located in the City of Beaufort, Beaufort County, South Carolina, to be known as Waters at Ribaut (the "**Project**").

3. The Authority has preliminarily approved the issuance of the Note pursuant to a resolution adopted on March 30, 2020, to provide funds to make a mortgage loan to the Sponsor for the acquisition, rehabilitation and equipping of the Project, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection with the issuance of the Note.

4. The Authority will adopt a final resolution (the "**Resolution**") authorizing the issuance and sale of the Note and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Note. The Authority will take steps necessary to comply with the requirements of Section 142 of the Internal Revenue Code of 1986, as amended.

5. The net interest rate to be borne by the Note has not been determined. The interest rate will not exceed the limitations or contravene the conditions described in the Act.

6. The trustee for the issue and the size, date, maturity schedule, payment dates and repayment provisions with respect to the Note shall be finally determined prior to the date the Note

is issued. As soon as these matters are finally determined, a precise schedule thereof shall be presented to the SFAA or its designee as provided by the Act.

7. The Authority requests that the SFAA delegate to the State Treasurer the ability to approve the interest rate on the Note and to grant on behalf of the SFAA final approval for the issuance of the Note. Prior to the issuance of the Note, the Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (a) the principal amount of the Note to be issued;
- (b) the maturity schedule of the Note to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said notes;
- (e) the method to be employed in selling the Note.

8. The Note will be a special obligation of the Authority secured by and payable solely from monies, income and receipts of the Authority pledged under the Resolution with respect thereto.

9. A schedule showing the annual debt service requirements of all outstanding bonds and notes of the Authority and source of revenues available for the payment of such debt service requirements has previously been provided to the SFAA.

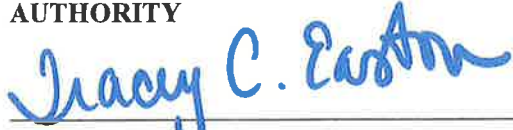
10. The Authority will produce any further information with respect to the Note required by the SFAA.

*[Remainder of page intentionally left blank. Signature page follows.]*

**WHEREFORE**, on the basis of the foregoing, the Authority prays preliminary approval by the SFAA of the issuance of the Note in the aggregate principal amount set forth above for the purpose of financing the acquisition, rehabilitation and equipping of the Project, establishing necessary reserve funds, and and paying the costs and expenses incurred in connection with the issuance of the Note.

Respectfully submitted,

**SOUTH CAROLINA STATE HOUSING  
FINANCE AND DEVELOPMENT  
AUTHORITY**



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Tracey C. Easton  
General Counsel

April 2 , 2020

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH  
CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT  
AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE  
NOTE (WATERS AT RIBAUT) SERIES 2020**

**WHEREAS**, it is provided by the South Carolina State Housing Finance and Development Authority Act of 1977, as amended (the "Act"), that, upon approval of the State Fiscal Accountability Authority of South Carolina (the "SFAA"), the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time bonds or notes for the purpose of obtaining funds with which to make (1) construction or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction or rehabilitation of residential housing for rental to persons or families of either Beneficiary Class, as defined in the Act; however, with respect to any particular issue of notes or bonds, one of the following conditions must be met: (a) if there is a public distribution of the notes or bonds, the issue must be rated by one or more of the national rating agencies, and one of more of the additional following conditions must be met: (i) there must be in effect a Federal program providing assistance in repayment of such loans; (ii) the proceeds must be used to acquire either Federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; (iii) the payment of the notes or bonds to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the SFAA; or (b) if the notes or bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional investors, or to other non-registered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina, 1976, as amended, the documents pursuant to which the notes or bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its right with respect to any collateral or security pledged to secure the notes or bonds; and

**WHEREAS**, Waters at Ribaut, LP, a South Carolina limited partnership (the "Sponsor"), has requested the Authority to assist it in an undertaking to acquire and rehabilitate a multifamily affordable housing development, consisting of 60 units, located in the City of Beaufort, South Carolina (the "Project"); and

**WHEREAS**, in order to provide money to acquire and rehabilitate the Project, the Authority proposes to issue its revenue note to be known as South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Note (Waters at Ribaut) Series 2020 in an aggregate principal amount of not exceeding \$11,000,000 (the "Note"); and

**WHEREAS**, the Authority has presented to the SFAA its Petition dated as of April 2, 2020 (the "Petition"), which sets forth certain information with respect to the Note.

**NOW, THEREFORE, BE IT RESOLVED BY THE STATE FISCAL ACCOUNTABILITY  
AUTHORITY IN MEETING DULY ASSEMBLED:**

Section 1. Approval is granted to the undertaking of the Authority as outlined in the Petition.

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the SFAA to the execution and delivery by the Authority of its Note to be designated as the South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Note (Waters at

Ribaut), or such other designation as the Board of Commissioners of the Authority may determine, in the principal amount of not exceeding \$11,000,000.

Section 3. The approval of the SFAA is conditioned on the following:

(a) The Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-3-220, to wit:

- (i) the principal amount of the Note to be issued;
- (ii) the maturity schedule of the Note to be issued;
- (iii) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (iv) a schedule showing the amount and source of revenues available for the payment of debt service on the notes and bonds referenced in item (iii); and
- (v) the method to be employed in selling the Note;

(b) The approval of the State Treasurer of the form and substance of the Note and of such documents as he deems necessary therefore;

(c) The State Treasurer shall find and determine that the funds estimated to be available for the repayment of the Authority's notes and bonds, including the Note, will be sufficient to provide for the payment of the principal and interest thereon;

(d) The documents pursuant to which the Note is being issued shall provide that all expenses, costs, and fees of the Authority in connection with the issuance of the Note, including legal fees, printing, and all disbursements shall be paid by the Sponsor; and

(e) To the extent required, the final approval by the Governor as the elected official of the State of South Carolina for purposes of Section 142(f) of the Internal Revenue Code of 1986, as amended.

Section 4. This Resolution shall take effect immediately upon its adoption.

**NOTICE OF ACTION OF THE  
STATE FISCAL ACCOUNTABILITY AUTHORITY**

Notice is given that following the filing of a Petition by the South Carolina State Housing Finance and Development Authority ("Housing Authority") to the State Fiscal Accountability Authority of South Carolina ("State Authority"), approval has been given by the State Authority to the following undertaking ("Undertaking") (including changes in any details of the Undertaking as finally consummated that do not materially affect the Undertaking), viz.:

The Housing Authority will issue its not exceeding \$11,000,000 Multifamily Housing Revenue Note (Waters at Ribaut) Series 2020, in one or more series ("Note"), pursuant to Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended ("Act"). The Housing Authority will use the proceeds of the Note to fund a mortgage loan to Waters at Ribaut, LP, a South Carolina limited partnership ("Borrower"), to (i) finance the costs of acquiring, rehabilitating and equipping a 60-unit multifamily housing development to be known as Waters at Ribaut located in the City of Beaufort, South Carolina ("Project"), (ii) establish necessary reserve funds and (iii) provide for certain fees and expenses which may be incurred in connection with the issuance of the Note.

The Note will be payable solely from the amounts to be paid to the Housing Authority by the Borrower pursuant to a loan agreement between the Housing Authority and the Borrower. The Note is not an indebtedness of the State of South Carolina ("State").

The Note will be issued pursuant to the Act and a Resolution to be adopted by the Board of Commissioners of the Housing Authority at a meeting of the Board of Commissioners which is expected to be held on or around May 20, 2020. The Note will not be (i) secured by, or in any way entitled to, a pledge of the full faith, credit, or taxing power of the Housing Authority or the State, (ii) an indebtedness of the Housing Authority or the State within the meaning of any State constitutional provision or statutory limitation, other than indebtedness payable solely from a revenue-producing project or special source that does not include revenues from any tax or license, (iii) a pecuniary liability of the Housing Authority or the State or (iv) a charge against the general credit or taxing power of the Housing Authority or the State.

Notice is further given that any interested party may, within 20 days after the date of publication of this Notice, but not after, challenge the validity of the State Authority's action in approving the Undertaking by action *de novo* instituted in the Court of Common Pleas for Beaufort County.

STATE FISCAL ACCOUNTABILITY AUTHORITY  
OF SOUTH CAROLINA

By: Delbert H. Singleton, Jr., Secretary

[ ], 2020

South Carolina State Housing Finance  
and Development Authority  
Columbia, South Carolina

Re:

***[\$11,000,000]***  
***South Carolina State Housing Finance and Development Authority***  
***Multifamily Housing Revenue Note***  
***(Waters at Ribaut)***  
***Series 2020***

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the South Carolina State Housing Finance and Development Authority (“***Issuer***”) of its [\$11,000,000] Multifamily Housing Revenue Note (Waters at Ribaut) Series 2020 (“***Bonds***”).

The Bonds recite that they are issued under and pursuant to Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended (“***Act***”). The Bonds are being issued under a Funding Loan Agreement, dated as of [ ], 2020 (“***Indenture***”), between the Issuer and [ ], a [national banking corporation], as trustee (“***Trustee***”). Capitalized terms not defined herein shall have the same meaning as set forth in the Indenture.

The Bonds are initially issued as a single certificate registered in the name of Cede & Co. in the aggregate principal amount of [\$11,000,000] and are dated [ ], 2020. The Bonds bear interest from the date thereof payable in accordance with terms provided therein. The Bonds mature on [ ]. The Bonds are subject to redemption upon the terms and conditions and at the prices set forth therein. The Bonds are also subject to special mandatory purchase upon the terms and conditions set forth therein.

The Bonds are being issued for the primary purpose of providing funds for the making of a mortgage loan (“***Loan***”) from the Issuer to Waters at Ribaut, LP (“***Borrower***”), pursuant to that certain Borrower Loan Agreement, dated as of [ ], 2020 (“***Loan Agreement***”), between the Issuer and the Borrower, for the acquisition, rehabilitation and equipping of a 60-unit multifamily affordable housing development to be known as Waters at Ribaut and located in the City of Beaufort, South Carolina.

In connection with the foregoing, we have examined (i) the Constitution of the State of South Carolina, 1895, as amended, the Act and other relevant statutes of the State of South Carolina (“***State***”); (ii) certified copies of the resolution of the Board of Commissioners of the Issuer authorizing the issuance of the Bonds on May [ ], 2020 (“***Resolution***”); (iii) certified copies of the proceedings of the State Fiscal Accountability Authority (“***Authority***”) relating to the Bonds, including a resolution adopted by the Authority on May [ ], 2020; (iv) the Loan Agreement; (v) the Indenture; (vi) the Agreement as to Restrictive Covenants, dated [ ], 2020 (“***Regulatory Agreement***”), between the Issuer and the Borrower; (vii) the Tax Certificate, dated [ ], 2020 (“***Tax Certificate***”), among the Issuer, the Borrower and the Trustee (collectively, the Resolution, the Indenture, the Loan Agreement, the Regulatory Agreement, and the Tax Certificate, are referred to herein as the “***Bond Documents***”); and (viii) such other records and

documents as we have considered necessary or appropriate in rendering the following opinions. We have also examined one fully executed Bond.

As to questions of fact material to the opinions hereinafter expressed, we have relied upon representations of the Issuer and the Borrower contained in the Bond Documents, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the Issuer and the Borrower, without undertaking to verify the same by independent investigation. We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, and documents and proceedings.

In giving the opinions hereinafter expressed, we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State, and such opinions are limited to the federal laws of the United States of America and the laws of the State.

Based upon the foregoing, it is our opinion under existing law that:

1. The Issuer is a duly created and validly existing public body corporate and politic and an agency of the State with full power and authority to issue the Bonds, to make the Loan with the proceeds of the Bonds, and to perform all of its obligations under the Bond Documents.

2. The Issuer has the right, power and authority under the Act to adopt the Resolution and execute the Bond Documents and each has been duly and lawfully authorized, executed and delivered by the Issuer, and is valid and binding upon the Issuer and enforceable in accordance with its terms.

3. The Indenture creates a valid pledge of the Trust Estate for payment of the Bonds pursuant to the terms of the Indenture.

4. The Bonds have been duly authorized, executed and delivered and constitute legal valid and binding special obligations of the Issuer enforceable in accordance with their terms and the terms of the Indenture. The Bonds are secured in the manner and the extent prescribed by the Indenture.

5. The Bonds are not a debt or grant or loan of credit of the State or any political subdivision thereof and neither the State nor any political subdivision thereof is liable thereon, nor shall the Bonds be payable out of any funds other than those of the Issuer pledged therefor under the Indenture.

6. Interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended ("**Code**"). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer and the Borrower have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax



purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

7. The Bonds and the interest thereon are presently exempt from all State, county, municipal, school district, and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except for inheritance, estate and transfer taxes, but the interest on the Bonds may be includable for certain franchise fees or taxes.

8. The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended.

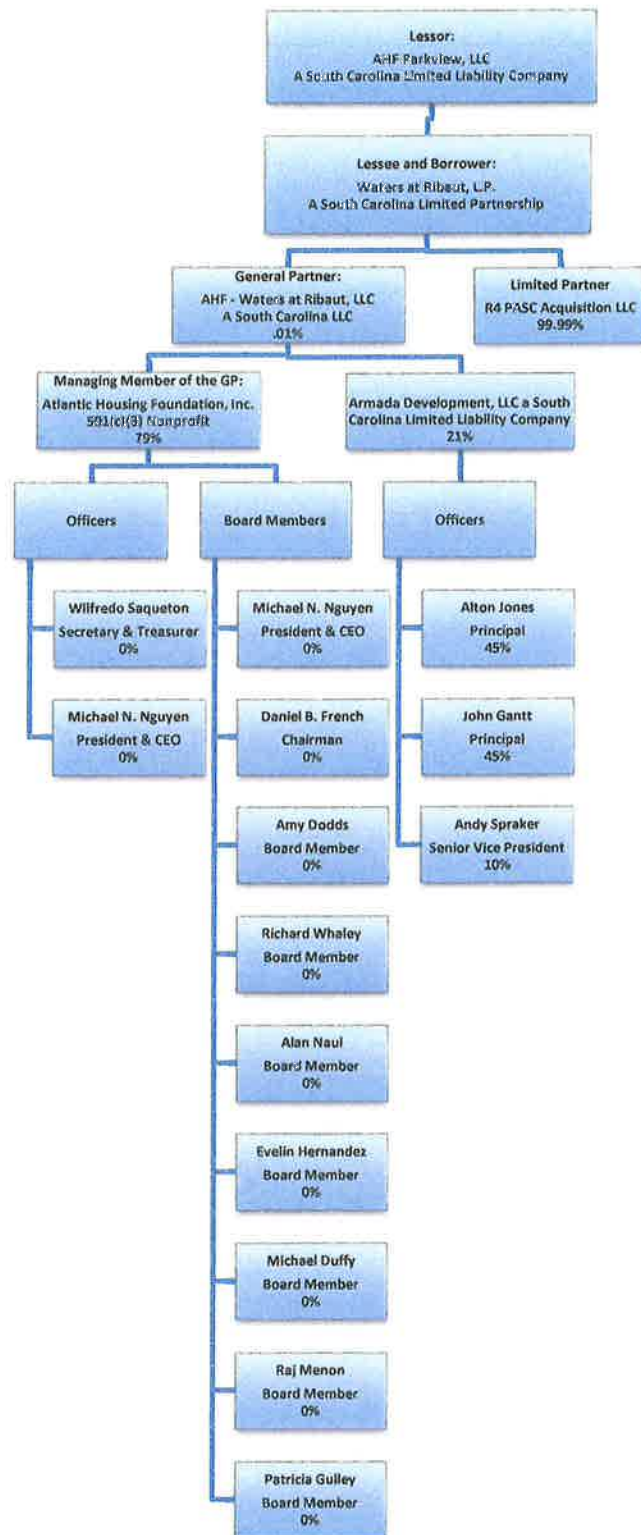
It is understood that the enforceability of the Indenture and the Bonds may be subject to judicial discretion, the exercise of the sovereign police powers of the State or the constitutional powers of the United States of America and valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally.

Except as set forth above, we express no opinion in connection with the issuance and sale of the Bonds. The opinions expressed above are rendered solely for the benefit of the addressees hereof in connection with the issuance of the Bonds. These opinions 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 opinions expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

**PARKER POE ADAMS & BERNSTEIN LLP**

# Waters at Ribaut, L.P. Master Lease Structure



## **Members of Armada Development, LLC**

**Alton Jones.** *Principal.* Mr. Jones has spent his entire career in the development and management business, including resort development and marketing, infrastructure installations, property owner associations, student housing development and affordable housing management and development. He is currently the President of Armada Development. Mr. Jones previously served as the Sr. VP of the Ginn Companies Southern and Bahamian regions. He was former President of Hilton Head Company Realty & Property Management and former President of Lake Las Vegas & Grand Bahama Port Authority Real Estate. Al Jones graduated from The Citadel, was on the Board of Trustees for the College of Charleston for 11 years, the Board of Trustees for the College of Charleston Foundation for over 5 years, and the Board of Trustees for Francis Marion University and Lander University for 4 years.

**John Gantt.** *Principal.* Mr. Gantt has vast experience with all aspects of real estate development from sales to operations, including working closely with architects, real estate attorneys and bankers and handling closings and HUD filings. Mr. Gantt was the former Executive Vice-President and Director of Sales and Marketing from 1998-2008 for The Ginn Company and managed over 300 employees/sales executives throughout North Carolina to all points of Florida and the Bahamas. Mr. Gantt has closed over 6.5 billion in real estate sales and set a nationwide record leading a sales team to over \$170 million in real estate sales in one day. Prior to this time, John was The Senior Vice-President and Director of Sales for Lowes Corporation, one of the largest holding companies in the United States, in which he led development and sales of luxury resort golf communities and managed the local office for the L.A.-based corporation. Mr. Gantt began his real estate career in 1984 at Wild Dunes Real Estate where he was the top producer for 5 years and later become the Broker-in-Charge, managing the real estate sales for Wild Dunes Real Estate.

**Andy Spraker** – Mr. Spraker has been a professional in project & asset management for resort, single & multi-family and commercial real estate development industries for more than 20 years. He has served in roles overseeing corporate & project financial modeling and management as well as engineering, permitting and construction oversight. Mr. Spraker has experience in coordinating project capital from sourcing to closing and underwriting compliance for state & local development & finance authorities, construction lenders and equity partners. Mr. Spraker previously served as Senior Project Manager for Ginn Development Company in Orlando, FL where he managed the in-house construction company. At Ginn, Mr. Spraker managed the construction of more than \$400 million in golf course, infrastructure and amenity construction for 7 high-end resort communities all over the Southeastern United States and the Bahamas. He has managed over \$1 Billion in construction projects both as a contractor and developer spanning more than 30 golf course communities and countless road & infrastructure projects. Mr. Spraker holds a degree in Business Management and holds a South Carolina General Contractors' License in Site-work and Utilities.

## **Board of Directors and Officers of Atlantic Housing Foundation, Inc.**

**Richard Whaley.** *Founding Member.* Mr. Whaley is a founding trustee of the Sole Member and has more than 40 years' experience developing or acquiring real estate throughout most regions of the United States. He has been or is currently involved in a number of professional and civic associations, including Founding Trustee, Dalhberg Center; Founding Member, Ohio State Advocates; Former Director, Affordable Housing Tax Credit Coalition and Former Board Director National Housing and Rehabilitation Association, Board of Trustee - Nightingale Home Care Inc., member of NAIOP - National Association of Industrial and Office Properties Central Florida Chapter, member of FIABCI - The International Real Estate Federation.

**Daniel B. French.** *Founding Member.* Mr. French, is the founder of the Sole Member and served as its President and Chief Executive Officer until 2008. He continues to serve as Chairman of its Board of Trustees and remains involved with Finance and Acquisition activities for the Sole Member and its affiliates. Mr. French has been involved in the affordable housing field since 1990 when he was made head of the Affordable Housing Department of the San Antonio office of the Resolution Trust Corporation. He also served the San Antonio Housing Authority as Director of Development. He has also served as Housing Commissioner of the Town of Hilton Head Island, SC and Chairman of the greater Hilton Head Community Development Corp. Mr. French has 40 years of experience in the areas of development, finance, operation, appraisal and brokerage of real estate. He holds an MBA from the University of Texas, San Antonio.

**Michael N. Nguyen.** *President.* Mr. Nguyen became the President and Chief Executive Officer of the Sole Member in April, 2008. Mr. Nguyen has over 14 years of experience as an executive in multifamily acquisition, development, rehabilitation, disposition and asset management. Prior to joining the Sole Member, Mr. Nguyen founded Cima Advisors, a real estate structured finance and asset management firm. Previously, he was a partner at the Uteley Group, a private equity firm with a key focus on multifamily acquisition and development. Before the real estate business, Mr. Nguyen was an investment banker specializing in mergers and acquisitions, corporate restructuring, debt and equity placements. He was also a Principal with First Southwest Company in its corporate finance department and a Financial Analyst at Banque Paribas and Prudential-Bache in New York. Mr. Nguyen holds a Bachelor of Business Administration Degree and MBA from the University of Texas.

**Amy Dodds.** *Community Member.* Ms. Dodds joined the board of trustees in 2018. Ms. Dodds has been the Resident Coordinator at Heather Ridge Apartments since October 2015 and is an integral part of the property staff of the Sole Member, providing services to residents, including an after school program, tutoring sessions, resident birthday recognition, welcoming new residents, educational development for our adult residents, community resources, and outreach programs. Ms. Dodds has also coordinated fundraising efforts benefiting the March of Dimes, Alex's Lemonade Stand, the Red Cross, Irving Police Department and Irving Fire Department. Prior to joining the staff at Heather Ridge, Ms. Dodds worked with children as both a teacher and a Day Care Director for multiple sites in California. She spent several years teaching for Head Start, where she gained experience in community outreach through home visits and collaborative family sessions with social workers and aides. Ms. Dodds has a degree in Early Childhood Education and Business from West Valley College and San Joaquin Delta College in California.

**Raj Menon.** *Community Member.* Dr. Menon joined the Sole Member as a board member in April 2014. Dr. Menon is President and CEO of Flat World Design, a promotional marketing company in Dallas. Prior to starting the marketing company, Dr. Menon worked as an engineering consultant and then as a management consultant for several years, working for companies like Trinity Consultants, Diamond Technology Partners (now PwC US) and Capital One. He serves as a volunteer with the Plano Independent School District and on the boards of the Plano Symphony Orchestra (where he is currently President), The Medical Center of Plano, as well as on the Executive Board of the Leadership Plano Program of the Plano Chamber of Commerce. Born and raised in India, Dr. Menon graduated with an M. Tech. Degree in Chemical Engineering from The Indian Institute of Technology. He received Masters Degrees in Engineering (M.S.), Business (M.B.A.) and a Ph.D. from The University of Texas at Austin.

**Patricia Gulley. *Community Member.*** Ms. Gulley joined the board of trustees in 2018. Ms. Gulley has a Bachelor of Science degree in Business Administration/Accounting from Chicago State University and has over 30 years of experience working in accounting, customer service and minority business instruction in corporate and small business settings. Ms. Gulley has been involved with political and social service organizations that provide services to individuals and communities throughout her life. Ms. Gulley now splits her time between family, as a mother and grandmother; her church as a volunteer, a teacher, a care minister, and Arrowood Residential Coordinator.

**Michael Duffy. *Community Member.*** Mr. Duffy joined the board of trustees in 2019. He brings experience from a 37-year career in commercial real estate investment and development, the last 18 with Trammell Crow Company, the nation's largest commercial developer, where he serves as Chief Operating Officer. Previously, Mr. Duffy previously worked with Principal Real Estate Investors, The Balcor Company, and Urban Investment and Development Company. He is a current partner and past board member of Social Venture Partners – Dallas and also serves on the board of directors of St. Mary's of Carmel School. Mr. Duffy holds a BBA from the University of Notre Dame and an MM from Northwestern University's Kellogg Graduate School of Management.

**Alan Naul. *Community Member.*** Mr. Naul joined as a member of the board of trustees in 2019. Mr. Naul is the founder and President of the Javelin Group in Dallas, Texas, and has the primary responsibility for its strategic direction. Javelin develops and invests in cutting edge housing and healthcare real estate to serve the burgeoning senior population. Prior to Javelin, Mr. Naul worked as a Managing Director for the Hampstead Group, where he was active in all aspects of the firm's real estate and corporate investments. He serves as board member of an East Texas Municipal District and is a proud graduate of the Cox School of Business at Southern Methodist University.

**Evelin Hernandez. *Community Member.*** Ms. Hernandez joined the board of trustees in 2019; however, Ms. Hernandez has been working with the Sole Member in July of 2014 at Windover Oaks Apartments, located in Titusville, FL., where she is currently a PT Leasing Associate and Resident Coordinator. As the Resident Coordinator, Ms. Hernandez is actively involved in establishing programs for the residents and creating new partnerships with local organizations including the Police and Fire Department, YMCA, The University of Florida and various blood banks. She brings extensive skills in customer service and community building to residents of all ages. Prior to joining the Sole Member, Ms. Hernandez was a realtor for six years in Northern Virginia and worked as a liaison for a Government Contractor at the Pentagon Federal Credit Union. She attended Northern Virginia Community College and Brevard Community College. Currently residing in Brevard County with her husband and two children, Ms. Hernandez demonstrates a passion for helping others through creative event planning.

**Wilfredo Saqueton. *Secretary & Treasurer.*** Mr. Saqueton has over 25 years of corporate financial management and public accounting experience, most recently in multi-unit services as the Chief Financial Officer of BRHACO, LLC dba Driver's Edge, a full service automotive repair and maintenance company. Prior to BRHACO, he served as CFO of companies with multi-unit operations including Just Brakes with approximately 160 retail locations and SWS Environmental Services with approximately 25 service centers. Mr. Saqueton also served as CFO of TransAtlantic Petroleum, Ltd., a publicly traded oil and gas exploration and production company. Prior to his CFO roles, Wil worked at Intel Corporation for 11 years in various operational finance roles ending as the strategic controller of the Chipset Division generating \$4 billion of annual revenue. Wil began his career at Price Waterhouse in San Jose, California. He earned his certified public accountant license in California and holds a B.A. in Accounting from Santa Clara University and an MBA from the University of California, Davis.

## Selected Accounts Variation Report

Run Date / Time 04/01/2020, 14:22:30

Bus Area: I320 Fund: 6001900000..600 Grant: \*

Cost Ctr: \* Funded Program: \*

Account Group Selected: SC\_TRIAL\_BALANCE\_DETAIL

Period: 9, 2020

GL Account	YTD Beg Bal	MTD Activity	YTD End Bal
1000000000 CASH DUE TO/FROM	1,600.18-		1,600.18-
1000030000 CASH ON DEPOSIT-STO			
1000070120 REVENU ACCT-SERV PRG	480,243,142.58		480,243,142.58
1000070200 PROGRAM FUND-LN PRG			
1000070201 ESCROW FUND-LOAN PRG			
1000070202 COST OF ISS FD-LN PG	1,219,742.03	317,286.94-	902,455.09
1000070203 REVENUE FUND-LN PRG	441,593,795.28-	1,846,652.02-	443,440,447.30-
1000070204 REDEMPTION FD-LN PRG			
1000070205 BOND RES FUND-LN PRG	1,992,012.29		1,992,012.29
1000070206 REVENUE RES FD-LN PG			
1000070207 RESTRICTED FD-LN PRG			
1000070208 ARB REB LIB FD-LN PG			
** Cash Accounts	41,859,501.44	2,163,938.96-	39,695,562.48
1200013000 Investments - Debt - Domestic			
1200040000 Investments - Accumulated Discount-Curr			
1200050000 Investments Mark to Market- Curr			
** Investments Current			
1204013000 INVESTMENTS - DEBT - DOMESTIC	90,211,890.53		90,211,890.53
** Investments Non-Current	90,211,890.53		90,211,890.53
1300200000 ACCRUED INTEREST RECEIVABLE NON INVESTMENT			
1300210000 ACCRUED INTEREST RECEIV ON INVESTMENTS		32,310.80-	32,310.80-
1310000000 LOANS AND NOTES RECEIVABLE - CURRENT	359,600.14	362,188.85-	2,588.71-
1310000001 LOANS AND NOTES RECEIVABLE - NONCURRENT	616,339,219.72	3,920,619.26-	612,418,600.46
1311000000 ALLOW FOR UNCOLLECT LOAN/NOTE REC - CURR			
1312000000 LOANS PENDING - SINGLE FAMILY	77,248.99-		77,248.99-
1313000000 FORECLOSED REAL ESTATE HELD FOR RESALE	75,376,815.40	7,545,057.95	82,921,873.35
1390010000 INTERFUND RECEIVABLES			
** Accounts Receivable	691,998,386.27	3,229,939.04	695,228,325.31
1600120000 PREPAID BOND INSURANCE			
** Prepaid Expenditures - Current			
1610010000 UNAMORTIZED DISCOUNTS ON BONDS-CURR			
1610020000 UNAMORTIZED DEF EARLY EXT OF DEBT-CURR	2,798,561.49-	30,806.94-	2,829,368.43-
1620020000 DEFERRED BOND FINANCING COSTS-NONCUR			
** Other Long Term Assets	2,798,561.49-	30,806.94-	2,829,368.43-
*** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
**** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
2010033000 ACCOUNTS PAYABLE - LOAN SERVICING INST		2,813.10	2,813.10



** Accounts Payable		2,813.10	2,813.10
<b>2090010000 INTERFUND PAYABLES</b> <b>2200201000 LIAB PAY FROM REST ASSET - INT PAY ON BD</b> <b>2200400000 LIAB PAY FM REST ASSET - BONDS PAY-CURR</b> <b>2200400001 LIAB RST - BD PY- LT</b> <b>2200600000 PREPAID MORTGAGE INTEREST</b> <b>2400130000 OTHER CURRENT LIABILITIES</b> <b>2406061000 UNAMORTIZED PREMIUM ON BONDS</b>		42,000.00- 3,415,218.54- 513,325,000.00-  18,994,543.47-	42,000.00 3,415,218.56 513,325,000.00-  19,261,845.59-
** Other Liabilities		535,776,762.01-	532,586,845.57-
*** Total Liabilities		535,776,762.01-	532,584,032.47-
** 3000010000 RET EARN & FD BAL UN		288,158,935.43-	288,158,935.43-
** Fund Balance Accounts		288,158,935.43-	288,158,935.43-
<b>4310010000 FEES AND RECEIPTS-OTHER</b> <b>4600030000 BOND PREMIUM/DISCOUNT AMORIZATION</b> <b>4650090000 LOAN INTEREST RECEIVED</b> <b>4660010000 INVESTMENT EARNINGS</b>		18,711.33- 941,834.05- 11,895,172.59- 2,887,960.65-	18,711.33- 674,531.93- 14,251,107.56- 2,575,435.48-
** Revenue		15,743,678.62-	17,519,786.30-
<b>5080110010 INTEREST PAYMENTS ON REVENUE BONDS</b> <b>Debt Service Payments</b> <b>5170700000 ALLOC ST AGENCIES</b> <b>Allocations</b> <b>5830001001 TRUSTEE FEES</b> <b>5830003000 REIMBURSABLE FORECLOSURE EXP</b> <b>5830003001 GAIN/LOSS ON FORECLOSURE PRINC</b> <b>5830003002 GAIN/LOSS ON FORECLOSURE INTEREST</b> <b>5830004001 LOAN SRVC EXP ACCR NO FM</b> <b>5830005000 BOND ISSUANCE EXPENSE</b> <b>5830005020 OTHER BOND PROGRAM EXPENSES</b> <b>5830006000 DEFERED LOSS ERLY EXTINGUISHMENT OF DEBT</b> <b>Loan Programs</b>		11,196,177.57 11,196,177.57 3,651,000.00 3,651,000.00 86,110.02 57,139.53 1,419,134.28 79,835.45 144,828.78 9,566.45- 26,097.02 126,226.36- 1,677,352.27	7,780,959.01 7,780,959.01 3,651,000.00 3,651,000.00 86,110.02 54,326.43 1,766,068.42 108,886.97 288,531.97 307,720.49 26,097.02 95,419.42- 2,542,321.90
** Expenditure Detail by Group		16,524,529.84	13,974,280.91
<b>6300040110 TRANSFER IN/OUT SF INDENTURE</b> <b>6300040120 TRANSFER IN/OUT MRB INDENTURE</b> <b>6300040130 TRANSFER IN/OUT HRB INDENTURE</b>		26,194.90- 1,056,010.89 853,813.48	26,194.90- 1,154,444.82 853,813.48
** Transfers		1,883,629.47	1,982,063.40
*** Total Fund Balance_Detail		285,494,454.74-	289,722,377.42-
**** Total Liabilities and Fund Balance Det		821,271,216.75-	822,306,409.89-
***** Total			

SCSHFDA  
MULTI-FAMILY HOUSING TAX-EXEMPT  
BONDS

As of 04/02/2020  
4% LIHTC

PRO FORMA NOI

<div>CONSTRUCTION PERIOD</div>					
	Operating Pro Forma	Basis	Year 1	Year 2	Year 3
INCOME					
Gross Potential Rental Income	\$775,740.00	2.00%	\$294,944.00	\$775,740.00	\$791,254.80
Total Other Income	7,200.00		2,737.08	7,200.00	7,344.00
Total Potential Income	\$782,940.00		\$297,681.08	\$782,940.00	\$798,598.80
Less: Vacancy	(39,147.00)	-5.00%	(59,536.22)	(39,147.00)	(39,929.94)
Effective Gross Income	\$743,793.00		\$238,144.86	\$743,793.00	\$758,668.86
EXPENSES					
Administration	\$28,190.00	3.00%	\$12,886.05	\$28,190.00	\$29,035.70
Management Fee	29,752.00		13,600.06	29,752.00	30,346.75
Advertising & Promotions	1,500.00		685.67	1,500.00	1,545.00
Repairs & Maintenance	40,733.00		18,619.63	40,733.00	41,954.99
Real Estate Taxes	-		-	-	-
Personnel	122,535.00		56,012.47	122,535.00	126,211.05
Security Monitoring	6,000.00		2,742.68	6,000.00	6,180.00
Insurance	37,200.00		17,004.64	37,200.00	38,316.00
Utilities	46,688.00		21,341.74	46,688.00	48,088.64
Reserve	18,000.00		8,228.05	18,000.00	18,540.00
Total Expenses	\$330,598.00		\$151,121.00	\$330,598.00	\$340,218.13
Net Operating Income Available for Debt Service	\$413,195.00		\$87,023.86	\$413,195.00	\$418,450.73

Senior Debt

Loan Amount:	#####	Principal:	\$	-	\$	69,795.00	\$	71,093.00
Construction Period Interest Rate (fixed):	4.07%	Interest:	\$	181,002.00		275,004.00		273,706.00
Permanent Interest Rate:	4.07%	Capitalized		(181,002.00)		-		-
Amortization:	40 Years	Interest:						
		Total Net	\$	-	\$	344,799.00	\$	344,799.00
		Payment:						
		DSCR:	N/A			1.20		1.21

Net Cash Flow

\$ 87,023.86 \$ 68,396.00 \$ 73,651.73





# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 05/12/20

Final Version Date:

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: South Carolina State Housing Finance & Development Authority Series: 2020  
 Borrower (if not Issuer): Waters at Ribaut, LP  
 Bond Caption: Multifamily Housing Revenue Note (Waters at Ribaut)  
 Bond Resolution Amount: \$11,000,000.00 Est. Production/Par Amt: \$6,875,000.00

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

#### Submitted By:

ENTITY: Waters at Ribaut, LP  
 BY: Parker Poe Adams & Bernstein LLP  
 ITS: Bond Counsel  
 Tel: 803.255.8000  
 Email: emilyluther@parkerpoe.com

Final Production/Par Amt: \$0.00

#### 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): N  
 MSRB (EMMA) Continuing Disclosure Responsible Party: N/A

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: Waters at Ribaut (currently known as Parkview Apartments)  
 Project Address/Location: 2500 Duke Street, Beaufort, SC 29902 Amount: \$12,357,271.00  
 Project Type: Multifamily Housing Facility County: Beaufort  
 Projected Avg Interest Rate: 4.05% Final Maturity: 12/1/2060 (est.)

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Sgs (\$) (Ref Bds)	Est NPV Sgs (% of Ref Bds)
N/A		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

### 4. FINANCING WORKING GROUP

Financial Advisor: N/A Disclosure Counsel: N/A  
 Bond Counsel: Parker Poe Adams & Bernstein LLP Issuer's Counsel: Tracey Easton  
 Underwriter: R4 Capital Funding, LLC Trustee: Wilmington Trust, National Association  
 Paying Agent: N/A Other: KutakRock (Lender's Counsel)

### 5. FINANCING/PROJECT DESCRIPTION

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

The purpose of the financing is to provide funding for the acquisition and substantial rehabilitation of a 60-unit multifamily housing development in Beaufort County, South Carolina. The basis for the information presented in the worksheet is from the application provided by the Borrower to the South Carolina State Housing Finance and Development Authority (which included a market study, project needs assessment report and an appraisal) and a term sheet from R4 Capital Funding, LLC, the purchaser of the Bonds, and R4 Capital, the tax credit equity provider.

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: <u>03/30/20</u>	<u>SC Housing</u>
JBRC Approval: <u>00/00/00</u>	
SFAA Approval: <u>05/12/20</u>	<u>SFAA</u>

Project Approvals - Phase II (State Entities Only)	Notes:
Issuer/Borrower Approval: <u>00/00/00</u>	<u>N/A</u>
JBRC Approval: <u>00/00/00</u>	<u>N/A</u>
SFAA Approval: <u>00/00/00</u>	<u>N/A</u>

### 7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes No  
☒ ☐

☒ ☐

Sq. Footage - Entire Project  
 Cost Estimate - \$0

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	FY1	Spend Down Schedule Notes
\$ 3,321,607.00	6/30/2020	Acquisition of Land; Commence Site Work and Rehabilitation
\$ 3,553,393.00	6/30/2021	Rehabilitation Complete
	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 6,875,000.00		

## 8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 6,875,000.00	\$ 4,862,378.00	Project Fund
(b) Premium/Accr. Int.	\$	\$ 255,731.00	Capitalized Interest Fund
(2) Issuer/Borrower Contr.-LIHTC	\$ 2,993,558.00	\$ 174,325.00	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 401,613.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		\$ 992,705.00	Developer Fee
Type - Def. Dev./GP Equity	\$ 488,713.00	\$ 5,321,607.00	Land Purchase Costs/Site Work
<b>Residual Project Sources</b>		\$ 167,912.00	Operating Reserve
(6) Other		\$ 181,000.00	Other Fees
(a) GF - Seller Note	\$ 2,000,000.00		Other
(a) FF -	\$		Other
(c) OF -	\$		Other
<b>Total Project Sources</b>	\$ 12,357,271.00	\$ 12,357,271.00	<b>Total Project Uses</b>
Surplus/Deficit		\$ -	

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor					\$	\$
Bond Counsel	Parker Poe	N/A	N/A	\$ 50,000.00	\$	\$ 50,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	Tracey Easton (GC)			\$	\$	\$
Underwriter's Counsel	KutakRock			\$ 60,000.00	\$	\$ 60,000.00
Underwriter Expenses		N/A	N/A		\$	\$
Trustee's Counsel	Naman Howell	N/A	N/A	\$ 7,500.00	\$	\$ 7,500.00
LIHTC Fees				\$ 80,000.00	\$	\$ 80,000.00
Rating Agency - S&P	n/a				\$	\$
Rating Agency - Moody's	n/a			\$	\$	\$
Rating Agency - Fitch	n/a			\$	\$	\$
Underwriter's Compensation	Orig./Comp./Cost	N/A	N/A	\$ 126,313.00	\$	\$ 126,313.00
Trustee Fees	Wilmington Trust	N/A	N/A	\$ 7,500.00	\$	\$ 7,500.00
Escrow Agent	n/a			\$	\$	\$
Accountant	n/a			\$	\$	\$
Verification Agent	n/a			\$	\$	\$
Printing	n/a			\$	\$	\$
Publishing	n/a			\$	\$	\$
Advertising	n/a			\$	\$	\$
Contingency				\$ 60,000.00	\$	\$ 60,000.00
Issuer's Fee	SC JEDA / SC SHFDA		N/A	\$ 10,300.00	\$	\$ 10,300.00
				\$ 401,613.00	\$	\$ 401,613.00

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

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

0.00%	#DIV/0!
0.73%	#DIV/0!
2.87%	#DIV/0!
0.00%	#DIV/0!

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

1.84%	#DIV/0!
1.13%	#DIV/0!
5.84%	#DIV/0!

# TRANSMITTAL FORM, REVENUE BONDS

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

DATE: April 2, 2020

Submitted for SFAA Meeting on:

May 12, 2020

FROM:

RE:

Robinson, Bradshaw & Hinson, P.A.  
Name of Law Firm

\$86,970,000  
Amount of Issue

101 N. Tryon St., Suite 1900  
Street Address/Box Number

Florence County, South Carolina  
Name of Issuing Authority

Charlotte, NC 28246  
City, State, Zip Code

Refunding Hospital Revenue Bonds  
Type of Bonds or Notes

704-377-8368  
Area Code/Telephone Number

August 6, 2020  
Projected Issue Date

Project Name: Refunding Hospital Revenue Bonds (McLeod Regional Medical Center Project) Series 2020A

Project Description: Refunding of \$86,970,000 principal amount of Florence County, South Carolina Hospital Revenue Bonds (McLeod Regional Medical Center Project) Series 2010A

Employment as a result of the project: N/A

Ceiling Allocation Required	Refunding Involved	Project Approved Previously
<u>Yes (\$ )</u> <u>X</u> No	<u>X</u> Yes (\$86,970,000) <u>No</u>	<u>X</u> Yes (\$ ) <u>No</u>
Amount	Amount	Amount

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

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. X Petition (provide detailed information on project owners, e.g., LLPs/LLCs/LPs)
- B. X Resolution or Ordinance
- C. N/A Inducement Resolution or comparable preliminary approval
- D. N/A Department of Health and Environmental Control Certificate if required
- E. X State Fiscal Accountability Authority Resolution and Public Notice (original)  
Plus 6 copies for certification and return to bond counsel
- F. X Draft bond counsel opinion letter

G. X Processing Fee

Amount: \$5,000 Check No: \_\_\_\_\_

Payor: McLeod Health

Bond Counsel: Allen K. Robertson  
Typed Name of Bond Counsel

By: Allen K. Robertson  
Signature



April 2, 2020

ARobertson@robinsonbradshaw.com  
704.377.8368 : Direct Phone  
704.373.3968 : Direct Fax

VIA E-MAIL

Mr. Delbert Singleton  
Authority Secretary  
State Fiscal Accountability Authority  
Wade Hampton Building, 6<sup>th</sup> Floor  
Columbia, SC 29201  
[delbert@sfaa.sc.gov](mailto:delbert@sfaa.sc.gov)

Re: \$86,970,000 Florence County, South Carolina Refunding Hospital Revenue  
Bonds (McLeod Regional Medical Center Project) Series 2020A

Dear Secretary Singleton:

McLeod Health, a South Carolina nonprofit corporation which has its headquarters in Florence, South Carolina, has requested that Florence County again assist its affiliate, McLeod Regional Medical Center of the Pee Dee, Inc., a South Carolina nonprofit corporation (the "Borrower"), by issuing the above-referenced refunding hospital revenue bonds (the "Refunding Bonds") under the Hospital Revenue Bond Act, Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the "Act"). McLeod Health has requested that we serve as bond counsel in connection with the issuance of the Refunding Bonds.

In August 2010, Florence County issued its Hospital Revenue Bonds (McLeod Regional Medical Center Project), Series 2010A (the "2010A Bonds") in the original principal amount of \$123,030,000 and loaned the proceeds therefrom to the Borrower to finance additional hospital facilities and refund bonds previously issued by Florence County in 1998 and 2004 for the benefit of the Borrower.

In February 2020 McLeod Health received a very attractive proposal from BB&T (now Truist Bank) to purchase the Refunding Bonds for the purpose of refinancing the \$86,970,000 of 2010A Bonds maturing from November 1, 2023 through 2037 (the "2010A Term Bonds") that are callable for redemption on November 1, 2020. The 2010A Term Bonds bear interest at tax-exempt fixed rates ranging from 4 – 5%. On March 13, 2020, BB&T and the Borrower entered into a "rate lock" agreement pursuant to which BB&T has agreed to accept a tax-exempt fixed interest rate to maturity in 2037 on the Refunding Bonds of 1.75%, which will result in more than \$25 million in net present value savings for the Borrower (almost 29% of the principal amount of 2010A Term Bonds).

Under the Act, Florence County must obtain the approval of the State Fiscal Accountability Authority (the "SFAA") before issuing the Refunding Bonds. The Act provides that the County Council of an issuing county must file a petition with the SFAA for such approval.

At its April 16, 2020 meeting, the Florence County Council will consider adoption of a resolution initially approving the issuance and delivery of the Refunding Bonds and authorizing

the filing of a petition with the SFAA for its approval of such undertaking. The first reading of the bond ordinance approving the issuance of the Refunding Bonds also will take place during the April 16<sup>th</sup> meeting. If the Florence County Council approves the resolution at its April 16, 2020 meeting, it will file the petition for approval with the SFAA immediately thereafter, and requests that the SFAA consider the petition at its May 12, 2020 meeting.

Attached are: (1) a copy of the resolution to be considered by the Florence County Council at its April 16, 2020 meeting (which includes the form of the petition to be filed with the SFAA as an exhibit), (2) the proposed resolution of the SFAA approving the Refunding Bonds to be considered by the SFAA at its May 12, 2020 meeting (which includes the form of the notice of such approval to be published in Florence County as an exhibit), and (3) the form of our approving opinion for the Refunding Bonds.

Please do not hesitate to call or e-mail me if you have any questions or need any additional information in order for the SFAA to consider the petition at its May 12, 2020 meeting.

Thanks in advance for the SFAA's assistance in helping McLeod Health achieve substantial debt service savings through the issuance of the Refunding Bonds by Florence County under the Act.

Best regards.

Very truly yours,

ROBINSON, BRADSHAW & HINSON, P.A.

A handwritten signature in black ink that reads "Allen K. Robertson". The signature is written in a cursive, flowing style.

Allen K. Robertson

cc: Connie Y. Haselden  
Clerk to Florence County Council

S. Fulton Ervin, III  
Chief Financial Officer, McLeod Health

Sponsor(s) : County Council  
Adopted : April 16, 2020  
Committee Referral : N/A  
Committee Consideration Date : N/A  
Committee Recommendation : N/A

## **RESOLUTION NO. 23-2019/20**

### **COUNCIL-ADMINISTRATOR FORM OF GOVERNMENT FOR FLORENCE COUNTY**

**(A Resolution Approving The Refunding of Certain Outstanding Indebtedness Benefitting McLeod Regional Medical Center Of The Pee Dee, Inc. Through The Issuance And Delivery Of Florence County, South Carolina, Refunding Hospital Revenue Bonds (McLeod Regional Medical Center Project), In One Or More Series, In An Aggregate Amount Not Exceeding \$86,970,000; Authorizing A Petition To The South Carolina State Fiscal Accountability Authority For Its Approval Of Such Undertaking Pursuant To Title 44, Chapter 7, Code Of Laws Of South Carolina 1976, As Amended; Approving An Intergovernmental Loan Agreement And A Subsidiary Loan Agreement; Providing For Notice Of Such Approval; And Providing For Other Matters Relating Thereto.)**

**BE IT RESOLVED BY THE FLORENCE COUNTY COUNCIL, THE GOVERNING BODY OF FLORENCE COUNTY, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:**

### **ARTICLE I**

#### **FINDINGS OF FACT**

##### **Section 1.01**

Incident to the adoption of this Resolution, the Florence County Council ("County Council"), the governing body of Florence County, South Carolina (the "County"), has made the following findings:

1. The Board of Trustees of McLeod Health (the "Hospital Board"), the governing body of McLeod Regional Medical Center of the Pee Dee, Inc., a general acute care public hospital (the "Hospital"), whose parent organization and sole shareholder is McLeod Health, has proposed that the County assist in refinancing certain outstanding revenue bonds issued by the County on behalf of the Hospital (the "Refunding") in order to achieve a savings with respect to debt service on the County's Hospital Revenue Bonds (McLeod Regional Medical Center Project) Series 2010A (the "2010A Bonds") through the issuance and delivery of Refunding Hospital Revenue Bonds pursuant to the authorization of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the "Act").

2. The Hospital Board has advised County Council that the Refunding would be aided by the assistance which the County might render through the issuance and delivery of Refunding Hospital Revenue Bonds, from time to time in one or more series, in the aggregate principal amount of not exceeding \$86,970,000 (the "Bonds") pursuant to the Act, a proposed ordinance (the "Bond Ordinance") to be adopted by County Council and a proposed Loan Agreement between the County and the Hospital Board, and other such documents as may be required for the issuance and sale of the Bonds.

3. County Council has agreed to finance the Refunding, subject to the conditions prescribed in the Bond Ordinance, and adopts this Resolution to (a) evidence its approval of the issuance and delivery of the Bonds as aforesaid, and (b) authorize a Petition to the State Fiscal Accountability Authority (the "SFAA") setting forth the facts required by the Act.

4. County Council has determined that there was and continues to be a need for the facilities financed and refinanced by the 2010A Bonds (the "Projects," which includes the "Dillon Facilities" as defined below) in the areas in which they are located and that the Refunding will subserve the purposes of the Act and that neither the Refunding nor the Bonds will give rise to any pecuniary liability of the County or a charge against its general credit or taxing powers.

5. The Hospital Board has represented that it has previously received all necessary licensing with respect to the Projects by the Department of Health and Environmental Control of South Carolina as is required under Article 3, Chapter 7, Title 44 of the Code of Laws of South Carolina 1976, as amended.

6. The County is informed that all public facilities, including utilities, and public services necessary for the operation of the Projects are available.

7. The estimated amount necessary to finance the cost of the Refunding through the issuance of the Bonds does not exceed \$86,970,000.

8. The County has heretofore entered into an "intergovernmental loan agreement" with Dillon County, South Carolina ("Dillon County") as required by the Act in connection with the County's \$79,790,000 Hospital Revenue Bonds (McLeod Regional Medical Center Project) Series 1998A (the "1998A Bonds"), a portion of the proceeds of which were used to finance the acquisition of the assets comprising hospital facilities and related assets of Saint Eugene Community Hospital, now known as McLeod Medical Center-Dillon, presently owned by the Hospital or its affiliates (the "Dillon Facilities"). The County also entered into an intergovernmental loan agreement with Dillon County as required by the Act in connection with the 2010A Bonds, a portion of the proceeds of which were used to refund the 1998A Bonds and refinance the Dillon Facilities. Because the proceeds of the Bonds will be used to refund the 2010A Bonds and refinance the Dillon Facilities, the County will be required under the Act to enter into an intergovernmental loan agreement with Dillon County in connection with the Bonds.

9. The County, Dillon County and the Hospital will enter into a Loan Agreement (the "Loan Agreement") pursuant to which the County and Dillon County will lend the proceeds of the Bonds to the Hospital and under which the Hospital will unconditionally agree, *inter alia*, to:

(a) pay the amounts necessary to provide the payments of principal of and interest on the Bonds, which will be dated and will mature in the amounts and bear interest at the rates set forth in the Ordinance to be adopted by County Council authorizing the issuance of the Bonds,

(b) continue to operate and maintain the Projects in good repair at its own expense, and

(c) carry all proper insurance with respect to the Projects.

10. The Loan Agreement provides that it is an "intergovernmental loan agreement" and a "subsidiary loan agreement" contemplated by Sections 44-7-1650 and 44-7-1660, respectively, of the Act.

11. County Council has determined that the Hospital is financially responsible and capable of fulfilling its obligations under the Loan Agreement, including the obligations to make the required payments thereunder, to operate, repair and maintain at its own expense the Projects and to discharge such other responsibilities as may be imposed under the Loan Agreement.

## ARTICLE II

### SUBMISSION OF PETITION

#### Section 2.01

The Petition in the form substantially as attached hereto as Exhibit A shall be presented to the SFAA to seek the approval required by the Act; said Petition shall be duly executed by either the Chairman, Vice Chairman or any acting Chairman of County Council, with such changes as shall be approved by the Chairman, Vice-Chairman, or any acting Chairman of County Council, including without limitation any relevant details of the Refunding and the Bonds as are determined prior to the submission of the Petition.

## ARTICLE III

### APPROVAL OF LOAN AGREEMENT

#### Section 3.01

The Loan Agreement is hereby approved as an “intergovernmental loan agreement” and a “subsidiary loan agreement” for purposes of Sections 44-7-1650 and 44-7-1660, respectively, of the Act.

#### Section 3.02

In accordance with Section 44-7-1690 of the Act, the Chairman of Council shall cause notice of such approval of the Loan Agreement by County Council to be published in the Florence *Morning News*. Such notice shall be in substantially the form attached hereto as Exhibit B.

## ARTICLE IV

### MISCELLANEOUS

#### Section 4.01

The Chairman of and the Clerk to County Council shall take any and all further action as may become necessary to effectuate the action herewith taken and herein authorized.

#### Section 4.02

This Resolution shall take effect immediately.

*[Signatures appear on the following page]*




ADOPTED this 16<sup>th</sup> day of April, 2020.

FLORENCE COUNTY, SOUTH CAROLINA

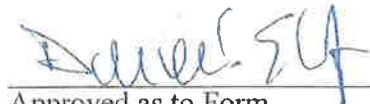
ATTEST:

  
\_\_\_\_\_  
Connie Y. Haselden, Council Clerk

[SEAL] \_\_\_\_\_

  
\_\_\_\_\_  
Willard Dorriety, Jr., Chairman

COUNCIL VOTE:   
OPPOSED:   
ABSENT: 

  
\_\_\_\_\_  
Approved as to Form  
D. Malloy McEachin, Jr., County Attorney

**NOTICE PURSUANT TO SECTION 44-7-1690,  
CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED**

Notice is hereby given that Florence County Council (the "Council"), the governing board of Florence County, South Carolina (the "County"), by Resolution adopted by Council on April 16, 2020, has approved the County's participation in the refinancing of the \$86,970,000 outstanding principal amount of the County's Hospital Revenue Bonds (McLeod Regional Medical Center Project) Series 2010A maturing after November 1, 2020 (the "Prior Bonds"), which Prior Bonds were issued by the County for the benefit of McLeod Regional Medical Center of the Pee Dee, Inc., a South Carolina not-for-profit corporation (the "Hospital"). Because a portion of the improvements financed and refinanced by the Prior Bonds (the "Projects") are located in Dillon County, South Carolina ("Dillon County"), by such resolution Council also approved a Loan Agreement (the "Loan Agreement") among the County, Dillon County and the Hospital pursuant to which proceeds of bonds issued by the County pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act") will be made available to the Corporation to finance the refunding of the Prior Bonds. The Loan Agreement will constitute an "intergovernmental loan agreement" between the County and Dillon County and a "subsidiary loan agreement" between the County and the Hospital within the meaning of such terms in Sections 44-7-1650 and 44-7-1660, respectively, of the Act. To refund the Prior Bonds, the County will issue its Refunding Hospital Revenue Bonds (McLeod Regional Medical Center Project) Series 2020A (the "Bonds") in a principal amount not exceeding \$86,970,000 pursuant to the Act. In accordance with Section 44-7-1660 of the Act, Council has found with respect to the Projects:

- (a) There is a need for the Projects in the areas in which the Projects are located.
- (b) The Hospital is financially responsible and capable of fulfilling its obligations under the Loan Agreement pursuant to which the proceeds of the Bonds will be made available to the Hospital, including the obligations to make the payments required thereunder, to operate, repair and maintain the Projects at its own expense and to discharge such other responsibilities as may be imposed under such Loan Agreement.
- (c) Adequate provision has been made for the payment of the principal of and interest on the Bonds and all necessary reserves therefore and for the operation, repair and maintenance of the Projects have been or will be established.
- (d) The public facilities, including utilities, and public services necessary for the Projects have been made available.
- (e) Council has given due consideration, upon the advice of counsel, to the impact, if any, of the Bonds on the County's present or future financings.

The South Carolina Department of Health and Environmental Control ("DHEC") has previously provided all necessary licensing with respect to the Projects.

Approval by the Council includes approval of changes in the Loan Agreement which do not materially change the undertaking therein described.

Notice is further given that any interested party may at any time within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge the action of the Council in approving the Loan Agreement.

FLORENCE COUNTY, SOUTH CAROLINA  
By: Chairman, Florence County Council

Publication Date:

April \_\_, 2020

**STATE OF SOUTH CAROLINA**

**COUNTY OF FLORENCE**

I, the undersigned Clerk to the Florence County Council, governing body of Florence County, South Carolina, do hereby certify that the foregoing is a true, correct and verbatim copy of a Resolution duly adopted by the County Council, having been read at a duly called meeting of the County Council on April 16, 2020, at which a majority of members of said County Council were present and voted.

Such meeting was a regular meeting of the County Council, for which notice had been previously given pursuant to and in conformity with Chapter 4, Title 30 of the Code of Laws of South Carolina 1976, as amended (the "Freedom of Information Act").

The original of the Resolution is duly entered in the permanent records of County Council, in my custody as Clerk.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of Florence County, South Carolina, this \_\_\_\_ day of April, 2020.

(SEAL)

\_\_\_\_\_  
Clerk to Florence County Council, Florence County,  
South Carolina

## **A RESOLUTION**

### **STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA**

**WHEREAS**, heretofore the County Council of Florence County, South Carolina (the "County Council") did, pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the "Act"), petition the State Fiscal Accountability Authority of South Carolina (the "SFAA") seeking the approval of the SFAA for an undertaking by the County Council pursuant to the Act; and

**WHEREAS**, the proposed undertaking (the "Undertaking") consists of the refinancing of certain outstanding revenue bonds (the "Prior Bonds") issued by Florence County, South Carolina (the "County") on behalf of McLeod Regional Medical Center of the Pee Dee, Inc. (the "Borrower") in order to achieve a savings with respect to debt service on the Prior Bonds, all at an estimated cost of up to \$86,970,000, through the issuance and delivery of Refunding Hospital Revenue Bonds, from time to time in one or more series, pursuant to the authorization of the Act and an ordinance (the "Bond Ordinance") to be adopted by the County Council; and

**WHEREAS**, because the Prior Bonds refinanced certain hospital facilities located in Dillon County, South Carolina ("Dillon County"), the County will enter into an "intergovernmental loan agreement" with Dillon County as required by the Act in connection with the Undertaking; and

**WHEREAS**, the Borrower will agree in a Loan Agreement or Loan Agreements (together or singularly, the "Loan Agreement") among the County, Dillon County and the Borrower to pay to the County amounts sufficient to provide for the payment of the Bonds (as hereinafter defined) and the costs and expenses resulting from the issuance thereof; and

**WHEREAS**, pursuant to an Assignment or Assignments (together or singularly, the "Assignment"), the County will assign certain of its rights under the Loan Agreement to the trustee for the Bonds; and

**WHEREAS**, in order to refund the Prior Bonds, the County Council proposes to provide for the issuance and delivery of the Bonds pursuant to the Act and to the Bond Ordinance, payable by the County from the amounts derived from the Loan Agreement; and

**WHEREAS**, the obligations of the Borrower under the Loan Agreement will be secured by a security interest in the revenues of the Borrower and certain of its affiliates under a Second Amended and Restated Master Trust Indenture dated as of June 1, 2018; and

**WHEREAS**, the Borrower has represented that it has received all necessary licensing with respect to the projects to be refinanced by the Bonds from the Department of Health and Environmental Control of South Carolina as may be required under Article 3, Chapter 7, Title 44 of the Code of Laws of South Carolina 1976, as amended;

**NOW, THEREFORE, BE IT RESOLVED BY THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED:**

1. It has been found and determined by the SFAA that the Undertaking is intended to promote the purposes of the Act and is reasonably anticipated to effect such purposes.

2. On the basis of the foregoing, the Undertaking to refund the Prior Bonds through the issuance from time to time, in one or more series, of not exceeding \$86,970,000 Florence County, South Carolina Refunding Hospital Revenue Bonds (McLeod Regional Medical Center Project) (the "Bonds") pursuant to the Bond Ordinance to be payable from the revenues to be derived by the County from the Loan Agreement, all pursuant to the Act (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), be and the same is hereby approved.

3. Notice of the action taken by the SFAA in giving approval to the Undertaking shall be published in a newspaper of general circulation in the County.

4. The Notice to be published shall be in form substantially as set forth as Exhibit A of this Resolution.

**STATE OF SOUTH CAROLINA**

**COUNTY OF FLORENCE**

**TO THE STATE FISCAL ACCOUNTABILITY  
AUTHORITY OF SOUTH CAROLINA**

**P E T I T I O N**

The Petition of the Florence County Council (the "County Council"), the governing body of Florence County, South Carolina, respectfully shows:

1. The County Council is the governing body of Florence County, South Carolina (the "County") as established by law, and, as such, is the Governing Board referred to in Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the "Act").

2. The Act authorizes and empowers the County, if it shall comply with the provisions set forth in the Act, to acquire or cause to be acquired land, buildings, equipment and other improvements deemed necessary, suitable and useful by any "hospital facility" (as defined in the Act) and to finance the cost of construction, acquisition and installation of the same through the issuance of Bonds payable from and secured by a pledge of the revenues to be derived from a financing agreement relating to such land, buildings, equipment and other improvements, and to issue bonds to refinance or refund such outstanding Bonds.

3. McLeod Regional Medical Center (the "Hospital") is a general acute care public hospital facility owned and operated by McLeod Regional Medical Center of the Pee Dee, Inc. (the "Borrower"), whose governing body is the Board of Trustees of McLeod Health (the "Hospital Board").

4. The Hospital Board has proposed that the County assist in refinancing certain outstanding revenue bonds issued by the County (the "Refunding") in order to achieve a savings with respect to debt service on the County's Hospital Revenue Bonds (McLeod Regional Medical Center Project) Series 2010A (the "2010A Bonds") through the issuance and delivery of Refunding Hospital Revenue Bonds pursuant to the authorization of the Act. The State Budget and Control Board approved the issuance and sale of the 2010A Bonds pursuant to the provisions of the Act. The 2010A Bonds were issued for the purpose of financing the cost of the acquisition, construction, furnishing, and equipping of capital items included in McLeod Health's 2015 capital improvement plan, including (1) reconfiguration of patient rooms in the Hospital's Main Tower (the "Main Tower"); (2) general repairs and renovations to the exterior and interior of the Main Tower; (3) addition of a heart and vascular institute in the Main Tower, to include a cardiac day hospital and facilities incident to cardiac surgery and other procedures; (4) addition of orthopedic and sports medicine facilities to the McLeod Health and Fitness Center; (5) addition of two new ICU towers between the Main Tower and the Pavilion; (6) finish out of the eighth floor of the Pavilion; (7) two new parking garages; (8) addition of enclosed pedestrian corridors, concourses, stair towers, and other connectors linking primary facilities of the Main Campus and facilities (such as public toilets, retail and transition spaces, food service areas, and waiting rooms incident to such space); and (9) renovation and remodeling of lobbies and patient registration areas (collectively, the "2010 Projects"), and in refunding the County's \$79,790,000 Hospital Revenue Bonds (McLeod Regional Medical Center Project) Series 1998A (the "1998A Bonds") and the County's \$33,000,000 Hospital Revenue Bonds (McLeod Regional Medical Center Project) Series 2004B (the "2004B Bonds").



5. The County has heretofore entered into an "intergovernmental loan agreement" with Dillon County, South Carolina ("Dillon County") as required by the Act in connection with the 1998A Bonds, a portion of the proceeds of which were used to finance the acquisition of the assets comprising hospital facilities and related assets of Saint Eugene Community Hospital, now known as McLeod Medical Center-Dillon, presently owned by the Hospital or its affiliates that are located in Dillon County (the "Dillon Facilities"). The County also entered into an intergovernmental loan agreement with Dillon County as required by the Act in connection with the 2010A Bonds, a portion of the proceeds of which were used to refund the 1998A Bonds and refinance the Dillon Facilities. Because the proceeds of the Bonds will be used to refund the 2010A Bonds and refinance the Dillon Facilities, the County will enter into an intergovernmental loan agreement with Dillon County as required by the Act in connection with the Bonds (as defined in the following paragraph).

6. In connection with the Refunding, County Council has agreed to issue not exceeding \$86,970,000 Florence County, South Carolina Refunding Hospital Revenue Bonds (McLeod Regional Medical Center Project) (the "Bonds") from time to time, in one or more series, pursuant to the Act, an ordinance (the "Bond Ordinance") to be adopted by County Council, a Loan Agreement among the County, Dillon County and the Borrower and other such documents as may be required for the issuance and sale of the Bonds.

7. The County Council is advised by the Hospital Board that the cost of the Refunding will be approximately \$86,970,000 and that, therefore, in order to finance the cost of the Refunding (the "Financing"), including the costs and charges incident to the issuance and delivery of the Bonds, it is necessary that County Council issue and deliver the Bonds in an aggregate amount not exceeding \$86,970,000.

8. For the reasons above set forth and hereinafter disclosed, the County Council has found that:

- (a) the Financing and the issuance of the Bonds will subserve the purposes of the Act;
- (b) there has been and continues to be a need for the projects financed and refinanced by the 2010A Bonds (the "Projects") in the areas in which they are located;
- (c) the Hospital Board has represented that it has received all necessary licensing with respect to the Projects by the Department of Health and Environmental Control of South Carolina as is required under Article 3, Chapter 7, Title 44 of the Code of Laws of South Carolina 1976, as amended, and that the 2010A Bonds were issued pursuant to and in accordance with the Act;
- (d) by reason of the Financing and the issuance of the Bonds, no pecuniary liability will result to the County nor will there be a charge against its general credit or taxing powers;
- (e) the amount required to finance the cost of the Refunding is approximately \$86,970,000;
- (f) the Borrower has provided for all public facilities, including utilities, necessary for the operation of the Projects;
- (g) the proposed Loan Agreement will unconditionally obligate the Borrower to pay an amount adequate to provide for the payments of the principal of and interest on the Bonds which

will be dated and will mature in the amounts and bear interest at the rates set forth in the Bond Ordinance;

(h) County Council has determined that the Borrower is financially responsible and capable of fulfilling its obligations under the Loan Agreement, including the obligations to make the required payments thereunder, to operate, repair and maintain at its own expense the Projects and to discharge such other responsibilities as may be reasonably imposed under the Loan Agreement; and

(i) the Financing shall entail refunding the \$86,970,000 outstanding principal amount of the 2010A Bonds maturing after November 1, 2020.

9. The Loan Agreement will provide, among other things, the following:

(a) the proceeds derived from the issuance and delivery of the Bonds will be used to pay the cost of the Refunding and the issuance of the Bonds; and

(b) no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing powers.

10. Pursuant to an Assignment of Rights under Loan Agreement (the "Assignment"), the County will assign to the Trustee for the Bonds (the "Trustee"), as security for the payment of the Bonds, substantially all of the right, title and interest of the County and Dillon County in and to the Loan Agreement except tax payments and certain payments to be made by way of indemnification and other related rights of the County. Neither the Bond Ordinance, the Loan Agreement nor the Assignment shall contain any provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing power.

11. The County will issue and deliver the Bonds to the Trustee.

12. The Bonds will be issued by the County pursuant to the proposed Bond Ordinance which provides for the payment of the Bonds. The Bond Ordinance will impose upon the Hospital Board the obligation to pay, in addition to the moneys required for the payment of the principal of and interest on the Bonds, all other costs and expenses resulting from the Bond Ordinance and the issuance of the Bonds pursuant thereto and the transactions contemplated to take place in connection therewith.

13. The Loan Agreement, the Assignment, the Bond Ordinance and the Bonds will be substantially in the form heretofore used in the issuance of Hospital Facilities Revenue Bonds pursuant to the Act.

14. There will be no bond insurance, letter of credit, or other credit enhancement with respect to the Bonds.

15. The Bonds will be "Qualified 501(c)(3) Bonds" under Section 145 of the Internal Revenue Code of 1986, as amended (the "Code"). Section 146(g)(2) of the Code excepts Qualified 501(c)(3) Bonds from the volume cap on private activity bonds imposed by Section 146 of the Code. Therefore no allocation of the South Carolina state ceiling is required for the Bonds.

Upon the basis of the foregoing, County Council respectfully prays:

That the State Fiscal Accountability Authority accept the filing of the Petition presented herewith; that it find that the proposed Financing is intended to promote the purposes of the Act and is reasonably anticipated to effect such result; and on the basis of such finding, that it approves the Financing including changes in any details of the Financing as finally consummated which do not materially affect the Financing and give published notice of its approval in the manner set forth in the Act.

Respectfully Submitted,

**FLORENCE COUNTY, SOUTH CAROLINA**

By:   
Chairman, Florence County Council

NOTICE PURSUANT TO TITLE 44, CHAPTER 7, ARTICLE 11,  
CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

Notice is hereby given that following the filing of a Petition by the County Council of Florence County, South Carolina (the "County Council") to the State Fiscal Accountability Authority of South Carolina (the "SFAA"), approval has been given by the SFAA to the following undertaking (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), viz.: the refinancing of certain outstanding revenue bonds (the "Prior Bonds") issued by Florence County, South Carolina (the "County") on behalf of McLeod Regional Medical Center of the Pee Dee, Inc. (the "Borrower") in order to achieve a savings with respect to debt service on the Prior Bonds (the refunding of the Prior Bonds being referred to the "Undertaking").

To finance the Undertaking, the County will issue not exceeding \$86,970,000 Florence County, South Carolina Refunding Hospital Revenue Bonds (McLeod Regional Medical Center Project) (the "Bonds"), from time to time, in one or more series, pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended. Because the Prior Bonds refinanced certain hospital facilities located in Dillon County, South Carolina ("Dillon County"), the County will enter into an "intergovernmental loan agreement" with Dillon County as required by the Act in connection with the Bonds. The Bonds will be payable by the County solely from the amounts to be paid to the County by the Borrower pursuant to a Loan Agreement or Loan Agreements among the County, Dillon County and the Borrower. Pursuant to an Assignment or Assignments, the County will assign substantially all of its rights under the Loan Agreement or Loan Agreements to the trustee for the Bonds.

The Borrower will irrevocably covenant and agree pursuant to the Loan Agreement or Loan Agreements to pay when due all sums required to pay the principal of and interest on the Bonds. The Bonds will be issued pursuant to the Act and an ordinance to be adopted by the County Council. The obligations of the Borrower under the Loan Agreement or Loan Agreements will be secured by the revenues of the Borrower and certain of its affiliates.

Pursuant to Section 44-7-1480 of the Act, the County Council has previously found that:

- (a) There was and continues to be a need for the projects financed by the Prior Bonds (the "Projects") in the areas in which they are located;
- (b) The Borrower will be obligated pursuant to the Loan Agreement or Loan Agreements to make all payments of principal of and interest on the Bonds and to operate, repair and maintain the Projects at its own expense; and
- (c) The Borrower has provided for all public facilities. Including utilities, necessary for the operation of the Projects.

Notice is further given that any interested party may at any time within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge the validity of the action of the SFAA in approving the Undertaking of the County Council by action de novo instituted in the Court of Common Pleas for Florence County.

STATE FISCAL ACCOUNTABILITY  
AUTHORITY OF SOUTH CAROLINA  
By: Delbert H. Singleton, Jr, Authority Secretary

Dated: \_\_\_\_\_, 2020

A-1

August \_\_, 2020

**Draft 3-11-2020**

Florence County, South Carolina  
Florence, South Carolina

Re: \$86,970,000 Florence County, South Carolina Refunding Hospital Revenue  
Bonds (McLeod Regional Medical Center Project) Series 2020A

Ladies and Gentlemen:

We have acted as bond counsel to McLeod Regional Medical Center of the Pee Dee, Inc. (the "Borrower") in connection with the issuance by Florence County, South Carolina (the "Issuer") of the above-referenced bonds (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

The Bonds are issued under and pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), and a Trust Agreement dated as of August 1, 2020 (the "Trust Agreement") between the Issuer and U.S. Bank National Association, as trustee (the "Bond Trustee"). Proceeds of the Bonds will be used to (i) refund the \$86,970,000 outstanding principal amount of the Issuer's Hospital Revenue Bonds (McLeod Regional Medical Center Project), Series 2010A maturing after November 1, 2020 (the "Refunded Bonds") issued for the benefit of the Borrower and (ii) pay certain expenses incurred in connection with the issuance of the Bonds.

As authorized by the Act, the Issuer has entered into a Loan Agreement dated as of August 1, 2020 (the "Loan Agreement") with Dillon County, South Carolina ("Dillon County") and the Borrower, whereby the Issuer has loaned (i) a portion of the proceeds of the Bonds representing that portion of the Refunded Bonds allocable to refunding the portion of the Issuer's Hospital Revenue Bonds (McLeod Regional Medical Center Project), Series 1998A allocable to improvements in Dillon County to Dillon County in order for Dillon County to loan such proceeds to the Borrower to pay the cost of refunding such portion of the Refunded Bonds and (ii) the remainder of the proceeds of the Bonds to the Borrower to pay the cost of refunding the remainder of the Refunded Bonds.

The Bonds are secured by, among other things, payments to be made by the Borrower on Obligation No. 16 dated as of the date hereof ("Obligation No. 16") issued by the Borrower to the Issuer and Dillon County under the Second Amended and Restated Master Trust Indenture dated as of June 1, 2018 (as supplemented, the "Master Indenture") between McLeod Health, the Borrower, McLeod Loris Seacoast Hospital, McLeod Medical Center–Dillon, McLeod Physician Associates II, McLeod Health Cheraw and McLeod Health Clarendon (each a "Member of the Obligated Group" and collectively the "Members of the Obligated Group") **[Drafting Note: Revise opinion as needed if any new Members of the Obligated Group are added at or prior to closing]** and U.S. Bank National Association, as master trustee (the "Master Trustee"), as evidence of the Borrower's obligation under the Loan Agreement to repay the loan of the proceeds

of the Bonds and assigned by the Issuer to the Bond Trustee (including Dillon County's rights in Obligation No. 16, which it assigned to the Issuer) as security for the payment of the Bonds. As provided in the Master Indenture, each Member of the Obligated Group (as defined in the Master Indenture) is jointly and severally liable for Obligation No. 16 and all other Obligations (as defined in the Master Indenture) issued under the Master Indenture. As security for all Obligations issued under the Master Indenture, each Member of the Obligated Group has granted to the Master Trustee a security interest in its Pledged Assets, subject to Permitted Liens (both as defined in the Master Indenture). A financing statement with respect to the security interest in the Pledged Assets of each Member of the Obligated Group has been filed with the Secretary of State of the State of South Carolina.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer and the Borrower contained in various documents, certified proceedings and other certifications of public officials furnished to us, and certifications furnished to us by and on behalf of the Borrower without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding limited obligations of the Issuer, payable in accordance with their terms from payments to be made by the Borrower or any other Member of the Obligated Group pursuant to Obligation No. 16 and the Loan Agreement and certain funds held by the Bond Trustee under the Trust Agreement. The Bonds do not constitute an indebtedness of the Issuer within the meaning of any State of South Carolina constitutional provision or statutory limitation and will not constitute or give rise to a pecuniary liability of the county or a charge against its general credit or taxing powers.

2. The Trust Agreement has been duly authorized, executed, and delivered by the Issuer and is a valid and binding obligation of the Issuer, enforceable upon the Issuer. The Trust Agreement creates a valid lien on the rights and property described in the granting clause thereof.

3. The Loan Agreement has been duly authorized, executed, and delivered by the Issuer, Dillon County and the Borrower, and is a valid and binding obligation of the Issuer, Dillon County and the Borrower, enforceable upon the Issuer, Dillon County and the Borrower.

4. The Master Indenture has been duly authorized, executed, and delivered by the Members of the Obligated Group, and is a valid and binding obligation of the Members of the Obligated Group, enforceable upon the Members of the Obligated Group. Obligation No. 16 has been duly authorized and executed by the Borrower, and is a valid and binding obligation of the Borrower, enforceable upon the Borrower.

5. The Master Indenture is effective to create in favor of the Master Trustee a security interest in the Pledged Assets of each Member of the Obligated Group to the extent that a security interest in such assets may be created under South Carolina's version of Article 9 of the Uniform Commercial Code (the "UCC"), which security interest has been perfected to the extent it could be perfected by the filing of financing statements under the UCC. Continuation statements meeting the requirements of the UCC must be filed as required by law to continue the perfection

of such security interest. The security interest in certain items constituting Pledged Assets is subject to exceptions under the UCC and may be limited by the powers of the State of South Carolina and the federal government to restrict assignment of the right to payment from such entities. **[Drafting Note: The McLeod Regional, Dillon and McLeod Health UCC Financing Statement (#100805-1105081) must be continued (and amended as suggested in 2018 if that hasn't been done yet) before August 5, 2020. The Cheraw UCC Financing Statement (originally filed June 19, 2015 and marked as a public finance filing) needs to be continued/amended before June 19, 2020]**

6. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in this paragraph is subject to the condition that the Issuer and the Borrower comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer and the Borrower have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. In rendering the opinion set forth in the first sentence of this paragraph, we have relied on the opinion of Moore & Van Allen, PLLC, Charleston, South Carolina, counsel to the Members of the Obligated Group, that **[each of]** the Borrower **[and McLeod Medical Center–Dillon]** is exempt from federal income tax under Section 501(a) of the Code by virtue of being an organization described in Section 501(c)(3) of the Code.

7. The Bonds and the interest thereon are exempt from all State, county, school district, municipal and all other taxes or assessments of the State of South Carolina, except inheritance, estate, transfer or certain franchise taxes. It should be noted that Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in South Carolina a tax computed on the entire net income of such bank, which includes interest on the Bonds.

The rights of the holders of the Bonds and the enforceability of the Bonds, the Trust Agreement, the Loan Agreement and the Master Indenture are limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We express no opinion herein, except as stated above, regarding federal, state, or local tax consequences arising with respect to the Bonds.

In rendering this opinion, we have relied upon the opinion of Aiken, Bridges, Elliott, Tyler & Saleeby, P.A., counsel to the Members of the Obligated Group, with respect to the due authorization, execution and delivery by the Members of the Obligated Group of the Master Indenture and by the Borrower of the Loan Agreement and Obligation No. 16. In rendering this opinion, we have relied upon the opinion of counsel to the Issuer with respect to the due authorization, execution and delivery by the Issuer of the Trust Agreement and the Loan Agreement. In rendering this opinion, we have relied upon the opinion of counsel to Dillon County



with respect to the due authorization, execution and delivery by Dillon County of the Loan Agreement.

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.

Respectfully submitted,

[To be signed, "Robinson, Bradshaw & Hinson, P.A.]



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 05/12/20

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: Florence County, South Carolina Series: 2020A  
 Borrower (if not Issuer): McLeod Regional Medical Center of the Pee Dee, Inc.  
 Bond Caption: Refunding Hospital Revenue Bonds (McLeod Regional Medical Center Project)  
 Bond Resolution Amount: \$86,970,000.00 Est. Production/Par Amt: \$86,970,000.00

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

#### Submitted By:

ENTITY: Pope Flynn/Robinson Bradshaw  
 BY: Joe Lucas/Allen Robertson  
 ITS: Managing Member/Managing Partner  
 Tel: 803-354-4916/704-377-8368  
 Email: jlucas@popeflynn.com/arobertson@robinsonbrad

#### Transaction Type/Method of Sale:

Public Offering: Competitive: \_\_\_\_\_ Negotiated: \_\_\_\_\_  
 X Direct Placement: Competitive: \_\_\_\_\_ Negotiated: X  
 Governmental Loan/Governmental Purchaser  
 Other: \_\_\_\_\_

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): N  
 MSRB (EMMA) Continuing Disclosure Responsible Party: N/A

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: N/A  
 Project Address/Location: \_\_\_\_\_ Amount: \$0.00  
 Project Type: \_\_\_\_\_ County: \_\_\_\_\_  
 Projected Avg Interest Rate: \_\_\_\_\_ Final Maturity: 01/00/00

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Ref. Bds)
McLeod Regional 2010A	2023-37	\$ 86,970,000.00	4-5%	1.75%	\$ 25,190,501.04	28.96%
		\$			\$	
		\$			\$	
Total		\$ 86,970,000.00	*****	*****	\$ 25,190,501.04	

### 4. FINANCING WORKING GROUP

Financial Advisor: Ponder & Co. Disclosure Counsel: \_\_\_\_\_  
 Bond Counsel: Pope Flynn/Robinson Bradshaw Issuer's Counsel: Aiken Bridges/Moore & Van Allen  
 Underwriter: \_\_\_\_\_ Trustee: U.S. Bank  
 Paying Agent: \_\_\_\_\_ Other: Purchaser Counsel McGuireWoods

### 5. FINANCING/PROJECT DESCRIPTION

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

Current refunding of \$86,970,000 principal amount of Florence County, South Carolina Hospital Revenue Bonds (McLeod Regional Medical Center Project), Series 2010A, maturing after November 1, 2020. Under federal tax law, the 2020A refunding bonds cannot be issued prior to August 4, 2020. McLeod Regional and BB&T/Truist entered into a Forward Delivery Bond Purchase Agreement dated March 13, 2020, pursuant to which BB&T/Truist has agreed to purchase the 2020A refunding bonds between August 4 - 10, 2020, at a fixed rate of interest to maturity. The 2020A refunding bonds are expected to be issued on August 6, 2020.

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	04/16/20	Florence County
JBRC Approval:	00/00/00	N/A
SFAA Approval:	05/12/20	Proposed

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	00/00/00	
JBRC Approval:	00/00/00	
SFAA Approval:	00/00/00	

### 7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)

Yes No  
☐ ☒

b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?

☐ ☒

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

Sq. Footage -   
 Cost Estimate - \$0

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
\$ 86,970,000.00	2/1/2021	Refunding cost and costs of issuance to be paid within 6 months.
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 86,970,000.00		

## 8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 86,970,000.00	\$	Project Fund
(b) Premium/Accr. Int.	\$	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$ 325,910.00	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$ 86,970,000.00	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 325,910.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	\$	\$	Accrued Interest
Type -	\$	\$	Other
<b>Residual Project Sources</b>		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
<b>Total Project Sources</b>	<b>\$ 87,295,910.00</b>	<b>\$ 87,295,910.00</b>	<b>Total Project Uses</b>
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	Ponder & Co.			\$ 111,970.00	\$	\$ 111,970.00
Bond Counsel	Pope Flynn/Rob. Bradshaw			\$ 100,000.00	\$	\$ 100,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	Aiken Bridges/MVA			\$ 49,440.00	\$	\$ 49,440.00
Underwriter's Counsel				\$	\$	\$
Transaction Counsel				\$	\$	\$
Legal Expenses	Bond Counsel			\$ 5,000.00	\$	\$ 5,000.00
Purchaser's Counsel	McGuireWoods			\$ 50,000.00	\$	\$ 50,000.00
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$	\$	\$
Registrar / Paying Agent	U.S. Bank			\$ 6,000.00	\$	\$ 6,000.00
Escrow Agent	U.S. Bank			\$ 1,500.00	\$	\$ 1,500.00
Accountant				\$	\$	\$
Verification Agent	TBD			\$ 2,000.00	\$	\$ 2,000.00
Printing				\$	\$	\$
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$	\$	\$
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				<b>\$ 325,910.00</b>	<b>\$</b>	<b>\$ 325,910.00</b>

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

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

0.13%	#DIV/0!
0.11%	#DIV/0!
0.24%	#DIV/0!
0.00%	#DIV/0!

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

0.00%	#DIV/0!
0.01%	#DIV/0!
<b>0.37%</b>	<b>#DIV/0!</b>

STATE FISCAL ACCOUNTABILITY AUTHORITY  
MEETING OF May 12, 2020

REGULAR SESSION  
ITEM NUMBER 5

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AGENCY: State Fiscal Accountability Authority

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SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 10:00 a.m. on Tuesday, June 30, 2020, in Room 252, Edgar A. Brown Building.

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AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on June 30, 2020, in Room 252, Edgar A. Brown Building.

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ATTACHMENTS: