

# STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Friday, September 9, 2016 -- 1:00 P. M.

Room 252, Edgar A. Brown Building

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## *AGENDA INDEX*

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<u>Item</u>	<u>Agency</u>	<u>Subject</u>
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**A. ADOPTION OF PROPOSED AGENDA**

**B. REGULAR SESSION**

- |    |                                 |   |
|----|---------------------------------|---|
| 1. | Executive Director              | Revenue Bonds   |
| 2. | South Carolina State University | Not Exceeding \$37,500,000 Capital Project Loan,<br>Series 2016, of South Carolina State University |

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF September 9, 2016

ITEM NUMBER 1

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AGENCY: Executive Director

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SUBJECT: Revenue Bonds

Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: \$75,000,000 Economic Development Revenue Bonds  
Allocation Needed: -0-  
Name of Project: Presbyterian Home of South Carolina (d/b/a Presbyterian Communities of South Carolina)  
Employment Impact: 500 (create – temporary construction); (create – permanent); 729 (maintain)  
Project Description: The (a) acquisition, construction, furnishing, and equipping of (i) an approximately 88-bed skilled nursing care health center at its existing continuing care retirement community located at 201 West 9<sup>th</sup> Street, in Summerville, (ii) approximately eighteen additional independent living apartments and related amenities at The Village at Summerville, and (iii) approximately twelve additional independent living apartments and related amenities at its existing continuing care retirement community located at 205 Bud Nalley Drive in Easley; and (b) refinancing of certain indebtedness incurred to finance the acquisition, construction, furnishing, and equipping of certain capital projects at The Village at Summerville, at the Foothills Community, at its existing continuing care retirement communities located at 700 DaVega Drive in Lexington, at 801 Musgrove Street in Clinton, and at 2350 West Lucas Street in Florence.  
*Note:* *negotiated private sale*  
Bond Counsel: F. Mitchell Johnson, Jr., Haynsworth Sinkler Boyd, P. A.

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AUTHORITY ACTION REQUESTED:

Adopt the resolution approving the referenced proposal to issue revenue bonds.

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ATTACHMENTS:

Resolutions with attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY

## A RESOLUTION

APPROVING THE UNDERTAKING OF THE SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY TO ISSUE NOT EXCEEDING \$75,000,000 SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY ECONOMIC DEVELOPMENT REVENUE BONDS (PRESBYTERIAN COMMUNITIES OF SOUTH CAROLINA) SERIES 2016 IN ONE OR MORE SERIES (the "**Bonds**") PURSUANT TO TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED (the "**Act**").

WHEREAS, heretofore the South Carolina Jobs - Economic Development Authority (the "**Authority**"), did, pursuant to the Act, petition the State Fiscal Accountability Authority, the statutory successor to the State Budget and Control Board of South Carolina, (the "**State Board**") seeking the approval of the State Board for an undertaking by the Authority pursuant to the Act; and

WHEREAS, the proposed undertaking consists of the issuance and delivery of the Bonds for the benefit of Presbyterian Home of South Carolina d/b/a Presbyterian Communities of South Carolina (the "**Corporation**"), a South Carolina non-profit corporation and an organization described in §501(c)(3) of the Internal Revenue Code of 1986, as amended, in one or more series and in an aggregate amount not exceeding \$75,000,000 pursuant to the Act to (i) finance the acquisition, construction, furnishing, and equipping of (a) an approximately 88-bed skilled nursing care health center at its existing continuing care retirement community ("**The Village at Summerville**") located at 201 West 9<sup>th</sup> Street, in Summerville, South Carolina (the "**Town of Summerville**") and in Dorchester County, South Carolina ("**Dorchester County**"), (b) approximately eighteen (18) additional independent living apartments and related amenities at The Village at Summerville, and (c) approximately twelve (12) additional independent living apartments and related amenities at its existing continuing care retirement community (the "**Foothills Community**") located at 205 Bud Nalley Drive in Easley, South Carolina, and in Pickens County, South Carolina ("**Pickens County**"); (ii) refinance certain indebtedness incurred to finance the acquisition, construction, furnishing, and equipping of certain capital projects at The Village at Summerville, at the Foothills Community, at its existing continuing care retirement community (the "**Columbia Community**") located at 700 DaVega Drive in Lexington, South Carolina, and in Lexington County South Carolina ("**Lexington County**"), at its existing continuing care retirement community (the "**Clinton Community**") located at 801 Musgrove Street in Clinton, South Carolina, and in Laurens County South Carolina ("**Laurens County**"), and at its existing continuing care retirement community (the "**Florence Community**") located at 2350 West Lucas Street in Florence, South Carolina, and in Florence County South Carolina ("**Florence County**"); (iii) fund a debt service reserve fund for all or a portion of the Bonds; and (iv) pay certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, the "**Undertaking**"), all pursuant to a resolution (the "**Bond Resolution**") adopted by the Board of Directors of the Authority, and to Bond Indentures (the "**Bond Indentures**") between the Authority and a trustee to be requested by the Borrower and approved by the Authority and the State Treasurer, as Bond Trustee (the "**Bond Trustee**"); and

WHEREAS, it is anticipated that a portion of the Bonds (the "**Bank Bonds**") will be sold to TD Bank (the "**Bank**") pursuant to a negotiated private sale which will purchase the Bank Bonds with no intent to resell them to the public and that the remaining portion of the Bonds (the "**Underwriter Bonds**") will be sold to Cross Point Capital LLC (the "**Underwriter**") pursuant to a negotiated private sale for resale to Hamlin Capital Management, LLC which will purchase the Underwriter Bonds with an intent to resell them only to qualified institutional buyers or accredited investors; and

WHEREAS, the Authority proposes to enter into Loan Agreements (the "**Loan Agreements**") with the Corporation pursuant to which the Authority will lend the proceeds of the Bonds to the Corporation to finance the costs of the Undertaking; and

WHEREAS, pursuant to the Loan Agreements, the Corporation will agree to pay to the Authority amounts sufficient to provide for the payment of the Bonds and the costs and expenses resulting from the issuance thereof; and

WHEREAS, the Authority proposes to enter into the Bond Indentures prescribing the terms and conditions upon which the Bonds will be issued and pledging to the payment of the Bonds the loan repayments to be made by the Corporation pursuant to the Loan Agreements; and

**WHEREAS**, the Authority has heretofore determined that:

(a) the Corporation is a responsible party engaged in the business of owning and operating The Village at Summerville, the Foothills Community, the Columbia Community, the Clinton Community, and the Florence Community (collectively, the "*Communities*" and each, a "*Community*"), and the Communities are located, respectively, in the Town of Summerville and in Dorchester County, Pickens County, Lexington County, Laurens County, and Florence County (collectively, the "*Counties*" and each, a "*County*");

(b) the Communities constitute a "business enterprise," as said term is referred to in §41-43-160 of the Act, and the issuance of the Bonds in an aggregate principal amount not to exceed \$75,000,000 in one or more series to finance the Undertaking will subserve the purposes and in all respects conform to the provisions and requirements of the Act;

(c) the Corporation has demonstrated to the Authority that the assistance of the Authority by the issuance of the Bonds will result in (i) the creation of temporary construction employment (both direct and indirect) for not less than five hundred (500) people from the Town of Summerville or Dorchester County and from Pickens County, and surrounding areas; (ii) the creation of permanent employment (both direct and indirect) for approximately seven (7) people from the Town of Summerville or Dorchester County and from Pickens County, and surrounding areas; and (iii) the maintenance of permanent employment (both direct and indirect) for approximately seven hundred twenty-nine (729) people from the Town of Summerville or Dorchester County and from the Counties and surrounding areas, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance authorized herein bears a reasonable relationship to the amount of program funds committed (*i.e.*, the principal amount of the Bonds), taking into account factors such as the amount of dollars invested per employee at comparable facilities;

(d) the amount of program funds committed (*i.e.*, the principal amount of the Bonds) bears a reasonable relationship to the amount of private funds committed to the Communities; and

(e) the size and scope of the Communities are such that a definite benefit to the economy of the State, the Town of Summerville or Dorchester County, and the Counties in particular is reasonably expected to result therefrom; and

**WHEREAS**, the Authority has also determined that prior to the issuance of the Bonds it will find that:

(a) the provisions, terms, and conditions of the agreements to be entered into by the Authority in connection with the issuance of the Bonds are reasonable and proper, taking into account such factors as the type of program involved, the amount of program funds involved, and the number and type of jobs involved, and

(b) the public interest is adequately protected by the terms of such documents; and

**WHEREAS**, in order to finance the Undertaking, the Authority proposes to provide for the issuance and delivery of the Bonds pursuant to the Act, to the Bond Resolution and to the Bond Indentures, payable by the Authority from the amounts derived from the Loan Agreements and secured by the Bond Indentures pursuant to which the Authority will pledge substantially all of its right, title, and interest in and to the Loan Agreements to the Bond Trustee; and

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

1. It has been found and determined by the State Board that the Authority has filed a proper petition with the State Board in accordance with the provisions of the Act and that it has made the findings required by the Act.

2. On the basis of the foregoing findings, the proposed undertaking of the Authority to finance the Undertaking through the issuance of not exceeding \$75,000,000 of the Authority's Economic Development Revenue Bonds in one or more series through a negotiated private sale to the Bank and through a negotiated private sale to the Underwriter pursuant to the Act, the Bond Resolution, and the Bond Indentures, to be payable from the revenues to be derived by the Authority from the Loan Agreements, and to be secured by the Bond Indentures, 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 are hereby approved.

## SUMMARY OF FINANCING PROPOSAL FOR

### Presbyterian Home of South Carolina

PRELIMINARY – SUBJECT TO CHANGE

June 21, 2016

Bonds	Not exceeding \$75,000,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (Presbyterian Communities of South Carolina Project) Series 2016.
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Average interest rate of Bonds

Projected average interest rate of Bonds	4.07%
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True interest cost of bonds	4.09%
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Estimated costs (costs as a percentage of Bonds)

Underwriting (Placement Agent)	0.10%
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Legal fees – bond, disclosure and general counsel	0.43%
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Rating agency fees	0.00%
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Financial Advisory fees	1.15%
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Bond trustee/registrar	0.01%
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Accounting and verification	0.02%
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Credit enhancement/bond insurance	0.00%
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Publication, printing, contingencies and all other expenses	0.27%
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Total	1.98%
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Prepared by Hamlin Capital Advisors LLC

Date June 21, 2016



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 00/00/00

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: South Carolina Jobs - Economic Development Authority Series: 2016A&B  
Borrower (if not Issuer): Presbyterian Home of South Carolina Amount: \$75,000,000.00  
Bond Caption: Economic Development Revenue Bonds (Presbyterian Communities of South Carolina Project)

#### Initial/Current Version:

ISSUER

NAME: \_\_\_\_\_

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

DATE: \_\_\_\_\_

#### Final:

ISSUER

NAME: \_\_\_\_\_

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

DATE: \_\_\_\_\_

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: Presbyterian Communities of South Carolina  
Project Address/Location: ence Amount: \$0.00  
Project Type: Continuing Care Retirement Communities County: orenc  
Projected Avg Interest Rate: 4.07% True Interest Cost: 4.09%

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bids	Est. Yield of Refunding Bids	Est NPV Sygs. (\$)	Est NPV Sygs. (% of Bids)
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
Total		\$	0.00%	0.00%	\$	0.00%

### 4. FINANCING WORKING GROUP

Financial Advisor: Hamlin Capital Advisors, LLC Disclosure Counsel: McKennon, Shelton & Henn, LLC  
Bond Counsel: Haynsworth Sinkler Boyd, P.A. Issuer's Counsel: McNair Law Firm, P.A.  
Underwriter: Cross Point Capital, LLC Borrower's Counsel: Nexsen Pruet, LLC  
Other: Bank: TD Bank Other: Bondholder Rep Counsel McCarter & English, LLP

### 5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs of the financing/project, and the basis for these cost estimates)

The Village at Summerville is constructing a \$22.5 million replacement health center (88 beds) to replace a physically outdated center built over 50 years ago and it is also constructing an additional 18 Independent Living (IL) apartments for \$6.5 million. The Foothills Community is building 12 additional IL units for \$4.5 million. In addition, there are \$27.5 million in various capital expenditures that are being funded. The basis for the cost estimates are from contractors and discussions with other professionals.

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	06/08/16	Inducement
JBRC Approval:	N/A	
SFAA Approval:	08/09/16	

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

Yes No

STATE FISCAL ACCOUNTABILITY AUTHORITY  
MEETING OF September 9, 2016

REGULAR SESSION  
ITEM NUMBER 2

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AGENCY: South Carolina State University

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SUBJECT: Not Exceeding \$37,500,000 Capital Project Loan, Series 2016, of South Carolina State University

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$37,500,000 Capital Project Loan, Series 2016, of South Carolina State University.

The proceeds of the bonds will be used to refinance or restructure a Series 2005 Capital Program Loan.

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AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$37,500,000 Capital Project Loan, Series 2016, of South Carolina State University.

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ATTACHMENTS:

Pope 8/16/16 letter; Summary of Financing; NDIF; Resolution





POPE FLYNN  
GROUP

COLUMBIA | CHARLOTTE | SPARTANBURG

Gary T. Pope, Jr. Pope Flynn, LLC  
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FAX 803 354.4899 www.popeflynn.com

August 16, 2016

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

Re Refinancing of Existing Loan through the Issuance of the Not Exceeding  
\$37,500,000 2016 Capital Project Loan of South Carolina State University (the  
"2016 Capital Project Loan")

Dear Delbert:

On behalf of South Carolina State University, in connection with the approval of the 2016 Capital Project Loan pursuant to the Higher Education Revenue Bond Act, and in anticipation of the South Carolina State Fiscal Accountability Authority (the "Authority") meeting scheduled for September 20, 2016, we respectfully enclose the following for consideration by the Authority:

1. A copy of a bond resolution adopted by the Board of Trustees of South Carolina State University at a special called meeting on August 15, 2016 authorizing the 2016 Capital Project Loan;
2. A Summary of Refinancing Proposal;
3. A New Debt Information Form;
4. A form of opinion of bond counsel;
5. A proposed form of approving resolution of the Authority (an electronic copy is being provided contemporaneously with this letter).

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

Best regards,



Gary T. Pope, Jr.

c: Kevin Kibler, Senior Assistant State Treasurer, Office of State Treasurer  
Ed Patrick, Vice President for Finance and Management, South Carolina State University  
Enclosures

Summary of Refinancing Proposal for  
Amount Not Exceeding \$37,500,000  
2016 Capital Project Loan of South Carolina State University  
Pursuant to the Higher Education Revenue Bond Act

PRELIMINARY – SUBJECT TO CHANGE

August 16, 2016

Outstanding bonds proposed to be refinanced	2005 Capital Project Loan of South Carolina State University
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Average interest rate of bonds refinanced	5.83%
Projected average interest rate of refinancing bonds	1.85% (avg. yield)
True interest cost of refinancing bonds	1.95% (TIC)
Projected net present value savings (net of costs)	\$11,979,281.40
Projected net present value savings as a percentage of the bonds refinanced	35.48%

Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)

Underwriting	\$350,224 (1.00%; 34.20%)
Legal fees – bond, disclosure and general counsel	\$157,645 (0.45%; 1.32%)
Rating agency fees	-
Advisory fees	\$70,000 (0.19%; .0058%)
Bond trustee/registrar	-
Accounting and verification	-
Credit enhancement/bond insurance	-
Publication, printing, contingencies and all other expenses	-
Total	\$577,869 (1.65%; .048%)

Prepared by: Pope Flynn, LLC. The above summary is derived from information provided by Bretwood Capital Partners, financial advisor to the University.



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 08/16/16

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: Rice Capital Access Program LLC (DBA for Dept. of Education) Series: 2016 A  
Borrower (if not Issuer): South Carolina State University  
Bond Caption: 2016 Capital Project Loan  
Bond Resolution Amount: \$37,500,000.00 Est. Production Amount: \$35,022,418.79

(\* Used to calculate initial COI percentages: this \$ Amount / Est. \$ COI on Page 2 should reconcile to "Summary of Financing Proposal" percentages \*)

#### Initial/Current Version:

##### ENTITY

NAME: South Carolina State University  
BY: Ed Patrick  
ITS: VP for Finance and Management

#### Final:

##### ENTITY

NAME: \_\_\_\_\_  
BY: \_\_\_\_\_  
ITS: \_\_\_\_\_

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: \_\_\_\_\_  
Project Address/Location: \_\_\_\_\_ Amount: \_\_\_\_\_  
Project Type: \_\_\_\_\_ County: \_\_\_\_\_  
Projected Avg Interest Rate: \_\_\_\_\_ Final Maturity: \_\_\_\_\_

### 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)
2005 Capital Project Loan	FY17 - FY35	\$ 33,763,165.25	5.83%	1.85%	\$ 11,979,281.40	35.48%
		\$			\$	
		\$			\$	
		\$			\$	
		\$			\$	
Total		\$ 33,763,165.25	*****	*****	\$ 11,979,281.40	

### 4. FINANCING WORKING GROUP

Financial Advisor: Bretwood Capital Partners Disclosure Counsel: N/A  
Bond Counsel: Bryant Miller Olive Issuer's Counsel: N/A  
Underwriter: Rice Capital Access Program, LLC Trustee Counsel: Hunton Williams  
Borrowers Counsel: Pope Flynn, LLC Local DC Counsel: Auzenne Law Firm

### 5. FINANCING/PROJECT DESCRIPTION

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

In 2005, South Carolina State University financed certain student housing and refinanced certain then outstanding series of bonds through a borrowing program administered by the U.S. Department of Education for Historically Black Colleges and Universities. The University has been advised that significant debt service savings may be realized by refinancing the existing obligations through the program. The University seeks authorization under the Higher Education Revenue Bond Act to refinance the existing loan.

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	08/15/16	Special Called Mtg.
JBRC Approval:	00/00/00	
SFAA Approval:	09/20/16	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
<input type="checkbox"/>	<input type="checkbox"/>

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?

<input type="checkbox"/>	<input type="checkbox"/>
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c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

Sq. Footage -	<input type="text"/>
Cost Estimate -	<input type="text" value="\$0"/>

Bond Proceeds

FYE

Spend Down Schedule Notes

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:

\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$		

## 8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$	\$	Project Fund
(b) Premium/Accr. Int.	\$ 35,022,418.79	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$	\$ 1,842,669.54	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$ 1,281,576.56	\$ 33,883,455.90	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution		\$ 577,869.91	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify) Type -	\$	\$	Accrued Interest
<b>Residual Project Sources</b>		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
<b>Total Project Sources</b>	<b>\$ 36,303,995.35</b>	<b>\$ 36,303,995.35</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	Bretwood Capital Partners	7000225739		\$ 70,000.00		\$ 70,000.00
Bond Counsel	Bryant Miller Olive			\$ 80,145.72		\$ 80,145.72
Disclosure Counsel				\$		\$
Issuer's Counsel				\$		\$
Underwriter's Counsel						\$
Borrower's Counsel	Pope Flynn, LLC			\$ 65,000.00		\$ 65,000.00
Legal Expenses						\$
Trustee Counsel	Hunton & Williams			\$ 5,000.00		\$ 5,000.00
Rating Agency - S&P				\$		\$
Rating Agency - Moody's				\$		\$
Rating Agency - Fitch				\$		\$
Underwriter's Compensation	Program Fee of Rice Capital			\$ 350,224.19		\$ 350,224.19
Local DC Counsel	Auzenne Law Firm			\$ 7,500.00		\$ 7,500.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$	\$	\$
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$	\$	\$
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				<b>\$ 577,869.91</b>	<b>\$</b>	<b>\$ 577,869.91</b>

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

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

0.20%	#DIV/0!
0.23%	#DIV/0!
0.43%	#DIV/0!
0.00%	#DIV/0!

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

1.00%	#DIV/0!
0.02%	#DIV/0!
1.65%	#DIV/0!

## A RESOLUTION

APPROVING A NOT EXCEEDING \$37,500,000 2016 CAPITAL PROJECT LOAN TO REFINANCE OR RESTRUCTURE A SERIES 2005 CAPITAL PROJECT LOAN PURSUANT TO THE HIGHER EDUCATION REVENUE BOND ACT AND OTHER MATTERS RELATED THERETO.

BE IT RESOLVED BY THE SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY, IN MEETING DULY ASSEMBLED:

### ARTICLE I

#### FINDINGS OF FACT

As an incident to the adoption of this resolution (this "Resolution"), the South Carolina State Fiscal Accountability Authority (the "State Authority") finds:

##### Section 1.01

(a) The Board of Trustees of South Carolina State University (the "Board of Trustees"), the governing body of South Carolina State University (the "University"), is authorized by Title 59, Chapter 147, Code of Laws of South Carolina, 1976, as amended (the "Higher Education Revenue Bond Act") to issue higher education facilities revenue bonds for the purpose of financing or refinancing the cost of acquisition, construction, reconstruction, renovation and improvement of land, buildings, and other improvements to real property and equipment for the purpose of providing facilities serving the needs of the University including, but not limited to, dormitories, apartment buildings, dwelling houses, bookstore and other university operated stores, laundry, dining halls, cafeterias, parking facilities, student recreational, entertainment and fitness related facilities, inns, conference and other non-degree educational facilities and similar auxiliary facilities of the University and any other facilities which are auxiliary to any of the foregoing excluding, however, athletic department projects which primarily serve varsity athletic teams of the University. Pursuant to the provisions of Title 11, Chapter 21, as supplemented by Chapter 15, Article 5, of the Code of Laws of South Carolina, 1976, as amended (the "Refunding Act," and together with the Higher Education Revenue Bond Act, the "Enabling Act"), the University is authorized to refinance its outstanding indebtedness.

(b) On May 18, 2005, the Board of Trustees adopted a resolution entitled "BOND RESOLUTION APPROVING A SERIES 2005 CAPITAL PROJECT LOAN AUTHORIZED UNDER PART D OF TITLE III OF THE HIGHER EDUCATION ACT OF 1965 AND THE HIGHER EDUCATION REVENUE BOND ACT IN AN AMOUNT NOT EXCEEDING \$42,000,000 AGGREGATE AMOUNT OF SOUTH CAROLINA STATE UNIVERSITY" (the "2005 Resolution"). Pursuant to the 2005 Resolution, the University entered into a Capital Project Loan Agreement (the "2005 Capital Project Loan Agreement") whereby the University secured funds through a loan (the "2005 Capital Project Loan") to refinance certain outstanding bonds of the University and provided funds needed for the equipping and construction of a new dormitory for the housing of approximately 750 students.

(c) On August 15, 2016, the Board of Trustees adopted a resolution entitled "BOND RESOLUTION APPROVING A 2016 CAPITAL PROJECT LOAN TO REFINANCE OR



RESTRUCTURE A SERIES 2005 CAPITAL PROJECT LOAN AUTHORIZED UNDER PART D OF TITLE III OF THE HIGHER EDUCATION ACT OF 1965 AND THE HIGHER EDUCATION REVENUE BOND ACT IN AN AMOUNT NOT EXCEEDING \$37,500,000 AGGREGATE AMOUNT OF SOUTH CAROLINA STATE UNIVERSITY” (the “2016 Resolution”) authorizing the refinancing of the 2005 Capital Project Loan, subject to the approval of the State Authority through a refinancing transaction (the “2016 Capital Project Loan”).

(d) The Board of Trustees, upon advice from its financial advisor, has determined that prevailing market conditions indicate that substantial debt service savings may be achieved through refinancing the 2005 Capital Project Loan, and the University hereby requests the State Authority to approve at this time the 2016 Capital Project Loan of the University for the purposes set forth herein and in the 2016 Resolution.

#### Section 1.02

The 2016 Resolution, in the form adopted by the Board of Trustees, has been presented to the State Authority.

#### Section 1.03

The Board of Trustees has determined that any applicable condition precedent to the issuance of the 2016 Capital Project Loan, including those required by the 2005 Resolution, the 2016 Resolution, and the Enabling Act, will be met upon the issuance of the 2016 Capital Project Loan.

#### Section 1.04

All capitalized terms used in this Resolution, but not defined herein, shall have the meaning ascribed to such terms in the 2016 Resolution.

### ARTICLE II

#### APPROVAL OF 2016 CAPITAL PROJECT LOAN

#### Section 2.01

The State Authority hereby approves and authorizes the not exceeding \$37,500,000 2016 Capital Project Loan of the University under the conditions prescribed by the 2016 Resolution.

#### Section 2.02

On the basis of the foregoing and after due consideration of the facts above recited and other matters appurtenant thereto, this Resolution has been adopted.

Dated: September 9, 2016.