



NEW ISSUE
BOOK-ENTRY ONLY

RATINGS: Moody's A1 (Negative)
Fitch: AA- (Stable)
See "RATINGS" herein

In the opinion of Parker Poe Adams & Bernstein LLP, under existing law and assuming compliance by the Authority and the University with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Series 2024 Bonds (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal individual alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The Series 2024 Bonds and the interest thereon will be exempt from all State of South Carolina, county, municipal, and school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer and certain franchise taxes. See "TAX TREATMENT" herein for a brief description of certain federal income tax consequences to certain recipients of interest on the Series 2024 Bonds.

\$69,450,000*

**SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY
EDUCATIONAL FACILITIES REVENUE BONDS
(FURMAN UNIVERSITY)**



FURMAN

SERIES 2024

Dated: Date of Delivery

Due: April 1, see inside front cover

The South Carolina Jobs-Economic Development Authority (the "Authority") is issuing its \$69,450,000* principal amount Educational Facilities Revenue Bonds (Furman University), Series 2024 (the "Series 2024 Bonds") pursuant to the Indenture of Trust dated as of May 1, 2024 (the "Indenture of Trust") by and between the Authority and U.S. Bank Trust Company, National Association, as trustee. The Series 2024 Bonds will be issued in denominations of \$5,000 or whole multiples thereof and will mature in the year and in the amount and bear interest at the rate set forth on the inside front cover hereof (calculated based upon a year of 360 days of twelve 30-day months). Interest on the Series 2024 Bonds is payable semiannually on April 1 and October 1 of each year until the Series 2024 Bonds mature or are redeemed, commencing October 1, 2024.

The Series 2024 Bonds are limited obligations of the Authority payable solely from the Revenues and the other items comprising the Trust Estate (as such terms are defined herein) and secured by an assignment of the Loan Agreement dated as of May 1, 2024 (the "Loan Agreement") by and between the Authority and Furman University (the "University"), and certain funds and accounts established under the Indenture of Trust. The University's obligations under the Loan Agreement are unsecured general obligations of the University and are absolute and unconditional. Neither the Loan Agreement nor any other financing documents executed in connection with the issuance of the Series 2024 Bonds creates any mortgage, lien, or other security interest in any real or personal property owned by the University. See "SECURITY FOR THE SERIES 2024 BONDS" herein.

The Series 2024 Bonds are being issued to provide funds, together with other available funds, to pay all or a portion of the costs of (i) the Project (as defined herein), and (ii) issuance of the Series 2024 Bonds. See "THE PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Series 2024 Bonds are subject to optional redemption prior to maturity as described herein. See "THE SERIES 2024 BONDS – Redemption of Bonds" herein.

THE SERIES 2024 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY. THE PRINCIPAL OF, AND PREMIUM, IF ANY, AND INTEREST THEREON ARE PAYABLE SOLELY OUT OF AND SECURED BY THE TRUST ESTATE INCLUDING THE REVENUES DERIVED BY THE AUTHORITY UNDER THE LOAN AGREEMENT, ALL AS DESCRIBED IN AND SUBJECT TO LIMITATIONS SET FORTH IN THE INDENTURE OF TRUST, FOR THE EQUAL AND RATABLE BENEFIT OF THE OWNERS, FROM TIME TO TIME, OF THE SERIES 2024 BONDS. THE SERIES 2024 BONDS DO NOT CONSTITUTE AN OBLIGATION OR INDEBTEDNESS OF THE AUTHORITY OR THE STATE OF SOUTH CAROLINA (THE "STATE") OR OF ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION (OTHER THAN ARTICLE X, SECTION 13(9) OF THE STATE CONSTITUTION PERMITTING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUES DERIVED OTHER THAN FROM A TAX OR LICENSE). THE SERIES 2024 BONDS DO NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE AUTHORITY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR A CHARGE AGAINST THE GENERAL FAITH AND CREDIT OR TAXING POWERS, IF ANY, OF ANY OF THEM. THE AUTHORITY HAS NO TAXING POWERS. NO OWNER OF ANY BOND SHALL HAVE THE RIGHT TO DEMAND PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON ANY BONDS FROM ANY FUNDS RAISED BY TAXATION AND THE ISSUANCE OF THE SERIES 2024 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. See "SECURITY FOR THE SERIES 2024 BONDS" herein.

An investment in the Series 2024 Bonds is subject to certain risks. See "INVESTMENT CONSIDERATIONS" herein.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2024 Bonds are offered subject to prior sale, when, as and if issued by the Authority and accepted by the Underwriters, subject to certain conditions and to the approval of legality by Parker Poe Adams & Bernstein LLP, Greenville, South Carolina, Bond Counsel to the University. Pope Flynn, LLC, Columbia, South Carolina, is acting as Disclosure Counsel to the University in connection with the offer and sale of the Series 2024 Bonds. Certain legal matters will be passed upon for the Authority by its counsel, Maynard Nexsen PC, Columbia, South Carolina, for the University by Parker Poe Adams & Bernstein LLP, Greenville, South Carolina, and for the Underwriters by Moore & Van Allen, PLLC, Charlotte, North Carolina. PFM Financial Advisors LLC, acted as financial advisor to the University in structuring this issue. It is expected that delivery of the Series 2024 Bonds will be made through the facilities of The Depository Trust Company on or about May 8, 2024.

RAYMOND JAMES®

Wells Fargo Securities

Official Statement dated:

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. The Series 2024 Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy the Series 2024 Bonds nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITY SCHEDULE*

<u>Due</u> <u>April 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u> [†]
2026	\$ 2,550,000			
2027	1,365,000			
2028	1,485,000			
2029	1,615,000			
2030	1,045,000			
2031	1,085,000			
2032	1,090,000			
2033	1,135,000			
2034	58,080,000			

* Preliminary, subject to change.

† Copyright, American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of reference only and neither the Authority nor the University makes any representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2024 Bonds as a result of various subsequent actions.

For purposes of compliance with Rule 15c2-12 (“Rule 15c2-12”) of the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, this document, as the same may be supplemented or corrected from time to time (collectively, the “Official Statement”), may be treated as an “Official Statement” with respect to the Series 2024 Bonds described herein that is deemed final as of the date hereof (or as of the date of any such supplement or correction). The preliminary Official Statement, when further supplemented by a final Official Statement specifying the interest rate, principal amount and delivery date of the Series 2024 Bonds, together with any other information required by law, shall constitute a “final Official Statement” with respect to the Series 2024 Bonds, as that term is defined in Rule 15c2-12. Any addendum or amendment shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations with respect to the Series 2024 Bonds, other than those in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the University, the Authority or the Underwriters.

This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, and there shall not be any sale of the Series 2024 Bonds, by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The Series 2024 Bonds are under existing law exempt from registration under both the Securities Act of 1933, as amended (the “1933 Act”) and the securities laws of the State of South Carolina.

References to website addresses presented herein are for informational purposes only and may be in the form of hyperlinks solely for the reader’s convenience and are not intended to be active hyperlinks. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

PFM Financial Advisors LLC, the financial advisor to the University (the “Financial Advisor”) has been employed by the University to advise it with respect to certain matters relating to the proposed structure of the Series 2024 Bonds. The Financial Advisor has not been employed and assumes no duty or obligation to advise any other party as to any aspect of the transaction, including the holders of the Series 2024 Bonds.

The Trustee has provided the following sentence for inclusion in this Official Statement: U.S. Bank Trust Company, National Association, as Trustee has not provided, or undertaken to determine the accuracy of, any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information, (ii) the validity of the Series 2024 Bonds, or (iii) the tax-exempt status of the interest on the Series 2024 Bonds.

In connection with this offering, the Underwriters may overallocate or effect transactions which stabilize or maintain the market price of the Series 2024 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Series 2024 Bonds to certain dealers and others at yields lower than the public offering yields stated on the front cover of this official statement, and such public offering yields may be changed from time to time by the Underwriters.

The information contained in this Official Statement has been obtained from the Authority, the University and other sources that are believed to be reliable, but the Underwriters do not guarantee the accuracy or completeness of the information and such information is not to be construed as a representation by the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the University since the date hereof.

The information contained herein under the heading “THE SERIES 2024 BONDS–Book-Entry Only System,” has been obtained from The Depository Trust Company, and no representation is made by the Authority or the University as to the completeness or accuracy of such information.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE SERIES 2024 BONDS AND THE UNIVERSITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

All quotations from and summaries and explanations of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact.

Cautionary Statement Regarding Forward-Looking Information

This Official Statement contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “budgets” and analogous expressions are intended to identify forward-looking statements as defined in the 1933 Act, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The University disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the University’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

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PRELIMINARY OFFICIAL STATEMENT

\$69,450,000*

**SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY
EDUCATIONAL FACILITIES REVENUE BONDS
(FURMAN UNIVERSITY)
SERIES 2024**

INTRODUCTORY STATEMENT

General

The purpose of this Official Statement, including the cover pages hereof and the Appendices hereto, is to set forth information in connection with the offering of the \$69,450,000* Educational Facilities Revenue Bonds (Furman University), Series 2024 (the “Series 2024 Bonds”), being issued by the South Carolina Jobs-Economic Development Authority (the “Authority”). Capitalized terms not otherwise defined herein shall have the meanings assigned such terms in Appendix C – “FORMS OF THE PRINCIPAL DOCUMENTS.”

The Series 2024 Bonds are authorized to be issued pursuant to the provisions of Title 41, Chapter 43, of the Code of Laws of South Carolina 1976, as amended (the “Act”), and pursuant to an Indenture of Trust dated as of May 1, 2024 (the “Indenture of Trust”) between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). Concurrently with the issuance of the Series 2024 Bonds, the Authority and Furman University (the “University”) will enter into a Loan Agreement with respect to the Series 2024 Bonds dated as of May 1, 2024 (the “Loan Agreement”) pursuant to which the University will agree to repay the loan from the Authority to the University of the proceeds of the Series 2024 Bonds.

This Official Statement and the appendices hereto contain brief descriptions of, among other matters, the Act, the Authority, the Series 2024 Bonds, the University, the Loan Agreement, and the Indenture of Trust. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Loan Agreement and the Indenture of Trust are qualified in their entirety by reference to such documents, and references herein to the Series 2024 Bonds are qualified in their entirety to the form thereof included in the Indenture of Trust. Until issuance and delivery of the Series 2024 Bonds, copies of the documents described herein may be obtained from Raymond James & Associates, Inc. at 1100 Ridgeway Loop, Suite 300, Memphis, Tennessee 38120, Attention: Public Finance. After delivery of the Series 2024 Bonds, copies of such documents will be available for inspection at the designated corporate trust office of the Trustee.

An investment in the Series 2024 Bonds is subject to certain risks. See “INVESTMENT CONSIDERATIONS” herein.

Use of Proceeds

The Series 2024 Bonds are being issued to provide funds to pay all or a portion of the costs of (i) the Project (as defined herein), and (ii) issuance of the Series 2024 Bonds. See “THE PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

* Preliminary, subject to change.

Security for the Series 2024 Bonds

The Authority will assign and pledge to the Trustee all of its interest in the Loan Agreement, except for its rights to indemnification and payment of certain expenses, its right to give certain consents, and its right to receive certain notices, directly to the Trustee for the account of the Authority to secure the payment of the Series 2024 Bonds. The Series 2024 Bonds will be secured under the provisions of the Indenture of Trust and will be payable solely from the Revenues (hereinafter defined) received by the Authority pursuant to an assignment of the Loan Agreement and the other items comprising the Trust Estate (hereinafter defined). See “SECURITY FOR THE SERIES 2024 BONDS” herein. **The obligation of the University to make payments under the Loan Agreement will be a general, unconditional obligation payable from legally available funds, and will be unsecured. Neither the Loan Agreement nor any other financing document executed in connection with the issuance of the Series 2024 Bonds creates any mortgage, lien, or other security interest in any real or personal property of the University.**

See “SECURITY FOR THE SERIES 2024 BONDS” herein for a discussion of indebtedness of the University that is secured by certain revenues of the University.

THE SERIES 2024 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY. THE PRINCIPAL OF, AND PREMIUM, IF ANY, AND INTEREST THEREON ARE PAYABLE SOLELY OUT OF AND SECURED BY THE TRUST ESTATE INCLUDING THE REVENUES DERIVED BY THE AUTHORITY UNDER THE LOAN AGREEMENT, ALL AS DESCRIBED IN AND SUBJECT TO LIMITATIONS SET FORTH IN THE INDENTURE OF TRUST, FOR THE EQUAL AND RATABLE BENEFIT OF THE OWNERS, FROM TIME TO TIME, OF THE SERIES 2024 BONDS. THE SERIES 2024 BONDS DO NOT CONSTITUTE AN OBLIGATION OR INDEBTEDNESS OF THE AUTHORITY OR THE STATE OF SOUTH CAROLINA (THE “STATE”) OR OF ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION (OTHER THAN ARTICLE X, SECTION 13(9) OF THE STATE CONSTITUTION PERMITTING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUES DERIVED OTHER THAN FROM A TAX OR LICENSE). THE SERIES 2024 BONDS DO NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE AUTHORITY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR A CHARGE AGAINST THE GENERAL FAITH AND CREDIT OR TAXING POWERS, IF ANY, OF ANY OF THEM. THE AUTHORITY HAS NO TAXING POWERS. NO OWNER OF ANY BOND SHALL HAVE THE RIGHT TO DEMAND PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON ANY BONDS FROM ANY FUNDS RAISED BY TAXATION AND THE ISSUANCE OF THE SERIES 2024 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. See “SECURITY FOR THE SERIES 2024 BONDS” herein.

Continuing Disclosure

The University has undertaken for the benefit of the Registered Owners (as defined herein) and the “Beneficial Owners” (as defined herein) of the Series 2024 Bonds to provide certain financial information and operating data relating to the University on an annual basis (the “Annual Information”), and to provide notices of the occurrence of certain enumerated material events. The Annual Information and notices of such material events will be filed by or on behalf of the University with the Municipal Securities Rulemaking Board (the “MSRB”). The University’s covenants relating to continuing disclosure and the information to be provided in the Annual Information and the notices of material events are

discussed under the caption “CONTINUING DISCLOSURE” and in the form of the Disclosure Dissemination Agreement (as defined herein) included as Appendix E hereto.

THE AUTHORITY

The Authority is a public body corporate and politic and an agency of the State created under and pursuant to Title 41, Chapter 43, Code of Laws of South Carolina 1976, as amended (the “Act”). The Authority is authorized and empowered under the Act, particularly Section 41-43-110 thereof, to utilize any of its program funds to establish loan programs to be utilized to acquire, by construction or purchase, properties and for other purposes described in Section 41-43-160 of the Act in order to promote and develop the business and economic welfare of the State, encourage and assist in the location of new business enterprises in the State and the rehabilitation and assistance of existing business enterprises and in the promotion of export of goods, services, commodities and capital equipment produced in the State, thus providing maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State and in the promotion and enhancement of industrial, commercial, agricultural and recreational development in the State. The Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds (including refunding revenue bonds) payable by the Authority solely from a revenue-producing source and secured by a pledge of said revenues in order to provide funds for any purpose authorized by the Act.

THE UNIVERSITY

Furman University, founded in 1826, is a private, coeducational institution of higher education located in Greenville, South Carolina, and a nonprofit corporation organized and existing under South Carolina law. The University’s primary emphasis is on providing a liberal arts education at the undergraduate level. The University also offers graduate and continuing education programs. The President and Board of Trustees, a self-perpetuating governing board with members drawn from private, public and community interest, have oversight responsibility for all of the University’s financial affairs. A description of the University and certain financial information is contained in Appendix A – “INFORMATION REGARDING FURMAN UNIVERSITY” and Appendix B – “FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2023.”

THE SERIES 2024 BONDS

General

The Series 2024 Bonds will be dated the date of their delivery and will mature and bear interest to maturity or prior redemption at the per annum rate shown on the front cover page hereof (calculated based on a year of 360 days of twelve 30-day months). The Series 2024 Bonds are issuable as fully-registered bonds in denominations of \$5,000 or any whole multiple thereof. Interest on the Series 2024 Bonds will be payable on October 1, 2024, and on each April 1 and October 1 thereafter (each an “Interest Payment Date”) until maturity or prior redemption.

The Series 2024 Bonds initially will be issued solely in book-entry only form. See “– Book-Entry Only System.” In the event that the Series 2024 Bonds are no longer held in a book-entry only system, the principal of and redemption premium (if any) on the Series 2024 Bonds will be payable at the corporate trust office of U.S. Bank Trust Company, National Association, as paying agent, and payments of interest due on the Series 2024 Bonds will be made by check or draft mailed on each Interest Payment Date to the person who is the registered owner of the Series 2024 Bonds as shown on the registration books (the “Owner” or “Registered Owner”) of the Series 2024 Bonds as of the close of business on the applicable Record Date (hereinafter defined); provided, however, that interest may be paid by wire transfer to any

bank in the continental United States for a Registered Owner of \$1,000,000 or more in aggregate principal amount of Bonds. “Record Date” is defined as the fifteenth day of the calendar month immediately preceding the date on which a payment of interest on the Series 2024 Bonds is made.

Redemption of Bonds

Optional Redemption. The Series 2024 Bonds are callable for redemption in whole or in part at any time on or after February 1, 2034,* upon the exercise by the University of its option to prepay provided in the Loan Agreement and shall be redeemed at a redemption price equal to 100% of the principal amount of the Series 2024 Bonds to be redeemed plus interest accrued to (but not including) the redemption date.

Notice of Redemption. Notice of redemption of the Series 2024 Bonds will be given by mailing a copy of such notice by first-class mail, postage prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the Registered Owners owning Bonds or the portions thereof to be redeemed. With respect to notice of any optional redemption of the Series 2024 Bonds as described in the immediately preceding paragraph, the notice will describe whether such notice is conditional and will list the conditions under which the call for redemption will be revoked.

If notice of redemption shall have been given as provided in the Indenture of Trust, and if on the date fixed for redemption monies or Defeasance Obligations (as defined in Appendix C) for redemption of all of the Series 2024 Bonds or portions thereof to be redeemed, together with interest accrued and unpaid thereon to the date fixed for redemption, shall be available for such payment, then from and after the date fixed for redemption, interest on such Bonds or portions thereof shall cease to accrue. So long as a book-entry only system is in effect with respect to the Series 2024 Bonds, notice shall be given by the Trustee only to DTC (or any subsequent depository) or its nominee and any corresponding notice to the Beneficial Owners will be the responsibility of DTC (or any subsequent depository) and the applicable Direct Participant or Indirect Participant.

So long as a book-entry only system is in effect with respect to the Series 2024 Bonds, notice shall be given by the Trustee only to DTC (or any subsequent depository for the Series 2024 Bonds) or its nominee and any corresponding notice to the Beneficial Owners will be the responsibility of DTC (or any subsequent depository for the Series 2024 Bonds) and the applicable Direct Participant or Indirect Participant. See “– Book-Entry Only System.”

Selection of Bonds to be Redeemed. The Series 2024 Bonds shall be redeemed only in whole multiples of \$5,000. In the event of any redemption of less than all of the outstanding Bonds, the Series 2024 Bonds to be redeemed shall be selected (i) so long as a book-entry only system is in effect, by DTC (or any subsequent depository for the Series 2024 Bonds), in accordance with DTC’s (or such successor depository’s) rules and regulations, or (ii) if a book-entry only system is not then in effect, by the Trustee by lot in such manner as shall be determined by the Trustee.

Book-Entry Only System

DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as one fully-registered bond registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC.

* Preliminary, subject to change.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com (which is not intended to be an active hyperlink).

Purchases of the Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the applicable record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and premium (if any) of, and interest on the Series 2024 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, the Authority, the University or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, the University and the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the Trustee, the Authority or the University. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, the Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the University believe to be reliable, but neither the Authority nor the University take no responsibility for the accuracy thereof.

SECURITY FOR THE SERIES 2024 BONDS

THE SERIES 2024 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY. THE PRINCIPAL OF, AND PREMIUM, IF ANY, AND INTEREST, THEREON ARE PAYABLE SOLELY OUT OF AND SECURED BY THE TRUST ESTATE INCLUDING THE REVENUES DERIVED BY THE AUTHORITY UNDER THE LOAN AGREEMENT, ALL AS DESCRIBED IN AND SUBJECT TO LIMITATIONS SET FORTH IN THE INDENTURE OF TRUST, FOR THE EQUAL AND RATABLE BENEFIT OF THE OWNERS, FROM TIME TO TIME, OF THE SERIES 2024 BONDS. THE SERIES 2024 BONDS DO NOT CONSTITUTE AN OBLIGATION OR INDEBTEDNESS OF THE AUTHORITY OR THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION (OTHER THAN ARTICLE X, SECTION 13(9) OF THE STATE CONSTITUTION PERMITTING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUES DERIVED OTHER THAN FROM A TAX OR LICENSE). THE SERIES 2024 BONDS DO NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE AUTHORITY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR A CHARGE AGAINST THE GENERAL FAITH AND CREDIT OR TAXING POWERS, IF ANY, OF ANY OF THEM. THE

AUTHORITY HAS NO TAXING POWERS. NO OWNER OF ANY BOND SHALL HAVE THE RIGHT TO DEMAND PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON ANY BONDS FROM ANY FUNDS RAISED BY TAXATION AND THE ISSUANCE OF THE SERIES 2024 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Under the Indenture of Trust, the “Trust Estate” is defined as: (a) except for the Unassigned Rights (as defined in Appendix C), the Authority’s entire right, title and interest in and to the Loan Agreement, specifically including, without limitation, the Authority’s right to receive repayments from the University in respect of amounts corresponding to the principal of, premium (if any) and interest on the Series 2024 Bonds; (b) the Authority’s entire right, title and interest in and to all other Revenues and all cash, securities or other investments held by the Trustee in any of the Indenture Funds or otherwise under the terms of the Indenture; and (c) all money and securities from time to time held by the Trustee under the terms of the Indenture and all other real or personal property from time to time conveyed, pledged, assigned or transferred to the Trustee as additional security under the Indenture which property the Trustee is under the Indenture authorized to receive. The term “Revenues” is defined in the Loan Agreement to include (i) all income and revenues derived from and for the account of the University by or for the account of the Authority pursuant to the terms of the Loan Agreement (except any fees or indemnity payments which may become due to the Authority) including without limitation the Loan Repayments, (ii) all amounts realized upon recourse to the Loan Agreement or any other collateral given by the University (if any) to secure its obligations under the Loan Agreement, (iii) moneys and securities held by the Trustee in trust funds under the Indenture of Trust, and (iv) earnings from the investment of money held by the Trustee in trust funds under the Indenture of Trust.

Pursuant to the Loan Agreement, the University will agree to make payments to the Trustee in such amounts and at such times as are sufficient to pay, when due, the principal of, redemption premium, if any, and interest on the Series 2024 Bonds. The University’s obligations under the Loan Agreement are unsecured general obligations of the University and are absolute and unconditional irrespective of any defense or any rights of setoff, recoupment, or counterclaim it may otherwise have against the Authority. Neither the Loan Agreement nor any other financing documents executed in connection with the issuance of the Series 2024 Bonds creates any mortgage, lien, or other security interest in any real or personal property owned by the University.

Under the Indenture of Trust, the Authority has pledged to the Trustee, solely for the benefit of the Registered Owners of the Series 2024 Bonds, (i) all of its right, title and interest in, under and pursuant to (with certain exceptions) the Loan Agreement, (ii) all of its right, title and interest in the Revenues, and all amounts on deposit from time to time in the funds and accounts created pursuant to the Indenture of Trust including earnings thereon, and (iii) any and all other real or personal property hereafter pledged as additional security for the Series 2024 Bonds. See Appendix C – “FORMS OF THE PRINCIPAL DOCUMENTS–The Indenture of Trust.”

See Appendix C – “FORMS OF THE PRINCIPAL DOCUMENTS–The Loan Agreement” for the covenants of the University made to the Authority for the benefit of the holders of the Series 2024 Bonds. The Loan Agreement does not limit the amount of indebtedness the University may incur or the ability of the University to provide a security interest on or mortgage lien on its properties in favor of such other indebtedness, nor does it require that the University maintain a particular debt service coverage with respect to its indebtedness.

THE PROJECT

The Series 2024 Bonds are being issued to finance all or a portion of (i) the costs of the Project, and (ii) the costs of issuance of the Series 2024 Bonds.

The “Project” comprises the completion of both the South Housing Project and the North Village Project, and the third phase of improvements and renovations to the Timmons Arena Project (each as defined in Appendix A) and other potential capital needs on or about campus in furtherance of the University’s residential, educational, athletic, administrative, faculty and student facilities and programs, all located on the campus of the University. The current estimated cost of the Project is \$78.4 million. See “INFORMATION REGARDING FURMAN UNIVERSITY – “The Project” in Appendix A hereto.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the sale of the Series 2024 Bonds are expected to be used as follows:

Estimated Sources

Par Amount of Bonds
[Original Issue Premium]
Total Estimated Sources of Funds

Estimated Uses

Project Costs
Costs of Issuance⁽¹⁾
Total Estimated Uses of Funds

⁽¹⁾ Includes Underwriters’ discount, rating agency fees, legal fees, financial advisor fee, printing and other miscellaneous bond issuance costs.

INVESTMENT CONSIDERATIONS

The following is a discussion of certain factors that should be considered in making an investment decision regarding the Series 2024 Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all factors that should be considered in making an investment decision. Prospective purchasers of the Series 2024 Bonds should analyze carefully the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein and in Appendix C – “FORMS OF THE PRINCIPAL DOCUMENTS.”

General

The Series 2024 Bonds are limited obligations of the Authority payable by the Authority solely from the Trust Estate, including payments to be made by the University pursuant to the Loan Agreement and certain other funds held by the Trustee under the Indenture of Trust. No representation or assurance can be given that the University will realize revenues in amounts sufficient to make such payments under the Loan Agreement with respect to the Series 2024 Bonds. The realization of future revenues is dependent upon, among other things, the capabilities of the management of the University, government regulations, particularly those affecting student aid, and future changes in economic and other conditions that are unpredictable and cannot be determined at this time.

The University expects that revenues derived from its ongoing operations, together with other available sources, will at all times be sufficient to make the required payments on the Series 2024 Bonds, and the University has covenanted under the Loan Agreement to make all such payments when due. A number of factors including those set forth below, however, may adversely affect the University's ability to make timely payments on the Series 2024 Bonds.

For more information on the University, see Appendix A – “INFORMATION REGARDING FURMAN UNIVERSITY” and Appendix B – “FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2023.”

Unsecured Obligations

The University's obligations under the Loan Agreement are unsecured general obligations of the University. Neither the Loan Agreement nor any other financing documents executed in connection with the issuance of the Series 2024 Bonds creates any mortgage, lien or other security interest in any real or personal property owned by the University. Thus, the timely payment of the University's debt service obligations is dependent upon the tuition revenue, auxiliary enterprises revenue (such as room and board fees), fundraising, the University's investment income and endowment as well as other sources. Holders of any indebtedness of the University may share with the holders of the Series 2024 Bonds in any moneys realized from the execution of remedies or bankruptcy proceedings and in the proceeds of certain insurance and condemnation awards.

No Debt Service Reserve Fund

Under the Indenture of Trust, there is no debt service reserve fund securing payment of the Series 2024 Bonds and purchasers of the Series 2024 Bonds must look solely to the assets of the University for payment.

Factors Generally Affecting the Financial Performance of the University

One or more of the following factors or events, or the occurrence of other unanticipated factors or events, could adversely affect the University's operations and financial performance to an extent that cannot be determined at this time. See Appendix A – “INFORMATION REGARDING FURMAN UNIVERSITY” for more detailed information regarding certain of the matters set forth below.

- *Reliance on Financial Aid.* Financial assistance, including State of South Carolina educational funding described in Appendix A under the heading “State Educational Funding,” is a significant factor in the decision of many students to attend a particular college or university. The University disbursed \$75.2 million in need- and non-need-based institutional grants in the year ended June 30, 2023. The tuition discounts/scholarships are important in maintaining enrollment, but must be limited so as not to adversely affect revenues. Significant changes in the availability of federal loan programs and other forms of student aid could also adversely affect the ability of students to attend the University with a resultant adverse impact on the financial condition of the University and its ability to meet debt service on the Series 2024 Bonds. No assurance can be given that the historical level of financial aid will continue.
- *Student Enrollment.* The adequacy of University revenues will depend on maintaining enrollment levels as well as being able to charge sufficient rates for tuition, housing, and other fees. There can be no assurance that the University can continue to enroll a sufficient number of students to generate revenues sufficient to pay the debt service on the Series 2024 Bonds.

- *Competition.* Competition for students among colleges and universities for students with high academic achievement is intense. The University competes for undergraduate students with a large number of state and private colleges and universities in the State of South Carolina, the southeast region, and nationally. Generally, the tuition charged by public colleges and universities is significantly less than tuition charged by the University. If the University is unable to maintain its competitive position, its ability to earn revenues and to pay debt service on the Series 2024 Bonds may be impaired.
- *Accreditation.* The University is accredited by the Southern Association of Colleges and Schools Commission on Colleges (the “SACSCOC”). In order to attract students and to qualify under federal, state, and private student financial aid programs, the University must maintain its accreditation with SACSCOC or any successor accreditation agencies. Typically, accreditation is reaffirmed every ten years. The University’s last accreditation review was completed in 2016-18 and resulted in a reaffirmation of the University’s accreditation. The University’s next SACSCOC review is scheduled for 2026-28.
- *Faculty.* The ability of the University to attract and retain quality faculty members is an important factor in the University’s academic reputation and its ability to attract students. Approximately 73% of the University’s full-time faculty members are tenured, and thus should any reduction of programs be necessitated by economic conditions, the University’s ability to reduce the size of its faculty may be limited.
- *Endowment and Investment Income.* The University plans its budget to include some spending from endowment and investment income each year. Such income is dependent upon a variety of economic conditions that are beyond the control of the University and may change in the future to an extent that cannot be presently determined. While the University believes that its investments are being managed prudently and has adopted policies designed to ensure the prudent management of its investments in the future, there can be no assurance that unforeseen developments in the securities markets will not have an adverse effect on the market value of those investments and the income generated therefrom.
- *Operating Costs.* The University expects that it will experience increases in operating costs due to inflation, costs of health care insurance, retirement plans or other benefits offered by the University to its employees, increases in the costs of compliance with federal or state laws or regulations, or other increases in operating expenses. There is no assurance that cost increases will be matched by increased tuition and other charges in amounts sufficient to generate an excess of revenues over expenses at the levels experienced by the University.
- *Liabilities in Excess of Insurance.* While the University is required by the Loan Agreement to maintain insurance against loss or damage of the kinds as are customarily carried by private universities and private universities located in the State of a nature similar to that of the University, if a claim or judgment against the University for an amount in excess of the limits of such insurance were to arise or for which insurance has not been or could not be obtained, such claim or judgment could adversely affect the ability of the University to make debt service payments on the Series 2024 Bonds.
- *Gifts, Grants and Bequests.* In the past the University has been able to raise funds to finance its operations, build the size of its endowment, and provide funds to improve its physical plant from a number of benefactors. There can be no assurance, however, that these efforts will continue to be successful. Such efforts may be affected adversely by a number of factors,

including changes in general economic conditions and changes in federal and state tax laws affecting the deductibility of charitable contributions. The University's ability to pay principal and interest on the Series 2024 Bonds may be affected by the success of its ongoing fundraising efforts. To the extent the University's fundraising efforts are not as successful as anticipated, the University must raise revenues from other sources, including operating revenues, investment income, or the disposition of assets. Actions by the University to generate such other revenues by, for example, increasing tuition or enrollment may adversely affect its ability to attract and maintain students at current levels.

Additional Indebtedness; Security

Neither the Loan Agreement nor the Indenture of Trust restricts the University from incurring additional indebtedness, nor does it limit the ability of the University to grant a security interest or mortgage lien on its properties to secure such other indebtedness. The rights of the holders of the Series 2024 Bonds will be subject to the rights of any senior secured indebtedness in a bankruptcy or creditor proceeding. In addition, holders of any other unsecured indebtedness may share with the holders of the Series 2024 Bonds in any moneys realized from the exercise of remedies or bankruptcy proceedings and in the proceeds of certain insurance and condemnation awards.

Early Redemption of Bonds

The Series 2024 Bonds are subject to early redemption as described under "THE SERIES 2024 BONDS—Redemption of Bonds." Accordingly, purchasers of the Series 2024 Bonds may not receive a return on their investment at the rate stated for the Series 2024 Bonds purchased for the full maturity of such Bonds, and following any such redemption, may be unable to reinvest redemption proceeds at comparable interest rates to those borne by the Series 2024 Bonds.

Enforceability of Remedies; Bankruptcy

The Series 2024 Bonds are payable from the payments to be made under the Loan Agreement. The practical realization of value upon any default will depend upon the exercise of various remedies specified by the Loan Agreement and the Indenture of Trust. These and other remedies may, in many respects, require judicial actions, which are often subject to discretion and delay. The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies, including judicial discretion in the application of the principles of equity, and by bankruptcy, reorganization, or other laws affecting the enforcement of creditors' rights generally.

Tax-Exempt Status of the University

The University has received a letter from the Internal Revenue Service ("IRS") recognizing it as exempt from federal income taxes as an organization described in Section 501(c)(3) of the Code (an "Exempt Organization"). In order to maintain such status, the University is required to conduct its operations in a manner consistent with representations it has previously made to the IRS and with current and future IRS regulations and rulings governing Exempt Organizations that are educational institutions. In recent years, the IRS and members of Congress have expressed concern about the need for more restrictive rules governing Exempt Organizations generally. Loss of status by the University as an Exempt Organization would have a significant adverse effect on its operations and would result in the includability of interest on the Series 2024 Bonds in gross income for federal income tax purposes for holders of the Series 2024 Bonds, with the possibility that interest on the Series 2024 Bonds would be so

includible retroactively to their date of issue. See “TAX TREATMENT” herein. Although the University has covenanted to take all appropriate measures to maintain its Exempt Organization status and management of the University is not aware of any transactions or activities currently ongoing that are likely to result in the revocation of the Exempt Organization status of the University, compliance with current and future regulations and rulings of the IRS could adversely affect its ability to charge and collect revenues, finance or refinance indebtedness on a tax exempt basis or otherwise generate revenues necessary to provide for payment of the Series 2024 Bonds. The University makes no assurance that future changes in the laws, rules, regulations, interpretations and policies relating to the definition, activities, and/or taxation of Exempt Organizations will not have material adverse effects on its future operations.

Taxation of Bonds

An opinion of Bond Counsel, has been obtained to the effect that under existing law and assuming compliance with certain tax covenants, the interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes under Section 103(a) of the Code. See “TAX TREATMENT” herein. An application for a ruling from the IRS regarding the tax-exempt status of the interest on the Series 2024 Bonds has not been made, and an opinion of counsel is not binding upon the IRS. The opinion of Bond Counsel is based upon certain representations by the Authority and University. If these representations are incorrect, interest on the Series 2024 Bonds could become includible in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2024 Bonds. The opinion of Bond Counsel is subject to the condition that the Authority and the University comply with all requirements of the Code, compliance with which subsequent to the issuance of the Series 2024 Bonds is necessary in order that the interest thereon be, and continue to be, excludable from the gross income of the owners thereof for federal income tax purposes. There can be no guarantee that the Authority, the University or a related party will not violate such requirements and thereby cause interest on the Series 2024 Bonds to become includible in gross income for federal income tax purposes, in some cases retroactive to the date of issuance of the Series 2024 Bonds. In addition, there can be no guarantee that present advantageous provisions of the Code or the rules and regulations thereunder will not be adversely amended or modified, thereby rendering the interest earned on the Series 2024 Bonds includible in gross income for federal income tax purposes. Bond Counsel has expressed no opinion regarding any other federal tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, the acquisition or disposition of, or otherwise arising with respect to, the Series 2024 Bonds.

For a description of the opinion of Bond Counsel and certain collateral federal income tax consequences to certain taxpayers, see “TAX TREATMENT” herein.

Bond Audit Risk

The Series 2024 Bonds may be, from time to time, subject to audits by the IRS. The University believes that the Series 2024 Bonds properly comply with the tax laws. In addition, Bond Counsel will render an opinion with respect to the tax-exempt status of the Series 2024 Bonds, as described under the caption, “TAX TREATMENT.” However, no ruling with respect to the tax-exempt status of the Series 2024 Bonds has been or will be sought from the IRS, and opinions of counsel are not binding on the IRS or the courts and are not guarantees. There can be no assurance that an audit of the Series 2024 Bonds will not adversely affect the Series 2024 Bonds.

Environmental Matters

The University is not aware of any releases of pollutants or contaminants at the University's campus that would give rise to enforcement actions under applicable state or federal environmental statutes. However, there could be other such releases not known to the University on the campus of the University as of the date of this Official Statement. The University is not aware of any enforcement actions currently in process with respect to any releases of pollutants or contaminants on its campuses. However, there can be no assurance that an enforcement action or actions will not be instituted under such statutes at a future date. In the event such enforcement actions were initiated, the University could be liable for the costs of removing or otherwise treating pollutants or contaminants located at the campus. The University has, however, been named a potential responsible party in connection with a superfund site in process of remediation in Raleigh, North Carolina. See Appendix A – "INFORMATION REGARDING FURMAN UNIVERSITY–FINANCIAL CONDITION OF THE UNIVERSITY–Litigation."

Changes in Bond Rating

The lowering or withdrawal of the investment ratings initially assigned to the Series 2024 Bonds could adversely affect the market price for the Series 2024 Bonds.

Secondary Market Prices

No assurance can be given that a secondary market for any of the Series 2024 Bonds will be available and no assurance can be given that the initial offering prices for the Series 2024 Bonds will continue for any period of time.

The Series 2024 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2024 Bonds in the event an owner thereof determines to solicit purchasers of the Series 2024 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2024 Bonds may be sold. Such price may be lower than that paid by the current owner of the Series 2024 Bonds, depending on existing market conditions and other factors.

Changes in Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters relating to the Series 2024 Bonds and the tax-exempt bond market generally. Such changes could adversely affect the marketability or market value of the Series 2024 Bonds or otherwise prevent holders of the Series 2024 Bonds from realizing the full benefit of the tax exemption of interest on the Series 2024 Bonds. Such proposals may impact the marketability or market value of the Series 2024 Bonds simply by being proposed. Additionally, such proposals could impact the University's ability to borrow at tax-exempt rates in the future. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to Bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series 2024 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2024 Bonds would be impacted thereby. Purchasers of the Series 2024 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

Cybersecurity

Like all higher education institutions, the University relies on a technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurance that any security and operational control measures implemented by the University will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could impact operations and/or digital networks, and the costs of remedying any such damage could be significant.

The University maintains a security posture designed to deter “cyber-attacks” and is committed to deterring attacks on its electronic system and responding to such attacks to minimize their impact on finances and operations. However, no assurances can be given that the University’s security measures will be able to prevent cyber-attacks on its electronic systems, and no assurances can be given that any cyber-attacks, if successful, will not have a material adverse effect on the operations or financial condition of the University.

Other Risk Factors

There are many other diverse risks not within the University’s control that, may have a substantial effect on the ability of the University to generate revenues sufficient to pay debt service on the Series 2024 Bonds. Such risks include possible adverse use of adjoining land, changes in administration or key personnel, epidemics and pandemics, fire, flood, tornado or other natural disaster, condemnations, changes in demand for such facilities, decline in general economic conditions, and changing governmental regulations.

UNDERWRITING

Raymond James & Associates, Inc. and Wells Fargo Bank, National Association, as underwriters (the “Underwriters”), have entered into a Bond Purchase Agreement to purchase the Series 2024 Bonds, subject to certain conditions, at a purchase price \$ _____, representing the aggregate principal amount of the Series 2024 Bonds less an Underwriters’ discount of \$ _____ plus [net] original issue premium of \$ _____.

The Underwriters have agreed to make a public offering of all of the Series 2024 Bonds. The prices and other terms respecting the offering and sale of the Series 2024 Bonds may be changed from time to time by the Underwriters after the Series 2024 Bonds are released for sale, and the Series 2024 Bonds may be offered and sold at prices lower than such initial public offering prices, including sales to dealers who may sell the Series 2024 Bonds into investment accounts.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the Authority and University in connection with such activities. In the various course of their various business activities, the Underwriters and their affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own accounts and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority and the University (directly, as collateral securing other obligations or otherwise) and/or

persons and entities with relationships with the Authority and the University. The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including WFBNA, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of WFBNA, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA, acting through its Municipal Finance Group, the underwriter of the Series 2024 Bonds, has entered into an agreement (the “WFA Distribution Agreement”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”), for the distribution of certain municipal securities offerings, including the Series 2024 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting compensation, as applicable, with respect to the Series 2024 Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the Series 2024 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

FINANCIAL STATEMENTS

The combined financial statements of the University as of and for the year ended June 30, 2023, included herein as a part of Appendix B, have been audited by CliftonLarsonAllen LLP, independent auditors, whose report appears in Appendix B. CliftonLarsonAllen LLP has not been engaged to perform, and has not performed since the date of its report included herein, any procedures on the consolidated financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this Official Statement. As set forth in Appendix B hereto, the combined financial statements of the University as of and for the year ended June 30, 2022, were audited by other auditors whose report dated October 24, 2022, expressed an unmodified opinion on those statements.

RATINGS

The Series 2024 Bonds have been rated “A1” by Moody’s Investors Service, Inc. and “AA-” by Fitch Ratings, Inc.

Neither the University nor the Underwriters have undertaken any responsibility after the issuance of the Series 2024 Bonds to assure maintenance of the ratings or to oppose any revision or withdrawal, and the Underwriters have not undertaken any responsibility after the issuance of the Series 2024 Bonds to bring to the attention of Registered Owners of the Series 2024 Bonds any proposed revision to or withdrawal of the ratings.

Further explanation of the significance of such ratings may be obtained from the firms giving such ratings. A rating is not a recommendation to buy, sell or hold the Series 2024 Bonds. There is no assurance that such rating will not be withdrawn or revised downward. Such action, if taken, could have an adverse affect on the market price of the Series 2024 Bonds.

TAX TREATMENT

On the date of issuance of the Series 2024 Bonds, Bond Counsel will render an opinion that, under existing law; and assuming compliance by the Authority and the University with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal individual alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The Series 2024 Bonds and the interest thereon will also be exempt from all State of South Carolina, county, municipal, school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer, and certain franchise taxes.

The Code imposes various restrictions, conditions and requirements relating to the exclusion of interest on obligations, such as the Series 2024 Bonds, from gross income for federal income tax purposes, including, but not limited to, the requirement that the Authority rebate certain excess earnings on proceeds and amounts treated as proceeds of the Series 2024 Bonds to the United States Treasury, restrictions on the investment of such proceeds and other amounts, and restrictions on the ownership and use of the facilities financed or refinanced with proceeds of the Series 2024 Bonds. The foregoing is not intended to be an exhaustive listing of the post-issuance tax compliance requirements of the Code, but is illustrative of the requirements that must be satisfied by the Authority and the University subsequent to issuance of the Series 2024 Bonds to maintain the excludability of the interest on the Series 2024 Bonds from gross income for federal income tax purposes. Bond Counsel’s opinion is given in reliance on certifications by representatives of the Authority and the University as to certain facts material to the opinion and the requirements of the Code.

The Authority and the University have covenanted to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order that the interest on the Series 2024 Bonds be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel assumes compliance by the Authority and the University with such covenants, and Bond Counsel has not been retained to monitor compliance by the Authority or the University with such covenants subsequent to the date of issuance of the Series 2024 Bonds. Failure to comply with certain of such requirements may cause the interest on the Series 2024 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2024 Bonds. No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of or the receipt, accrual or amount of interest with respect to the Series 2024 Bonds.

If the interest on the Series 2024 Bonds subsequently becomes included in gross income for federal income tax purposes due to a failure by the Authority or the University to comply with any requirements described above, neither the Authority nor the University is required to redeem the Series 2024 Bonds or to pay any additional interest or penalty.

The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includible in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Series 2024 Bonds. Prospective purchasers and owners of the Series 2024 Bonds are advised that, if the IRS does audit the Series 2024 Bonds, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the Authority as the taxpayer, and the owners of the Series 2024 Bonds may have limited rights, if any, to participate in such audit. The commencement of an audit could adversely affect the market value and liquidity of the Series 2024 Bonds until the audit is concluded, regardless of the ultimate outcome.

Prospective purchasers of the Series 2024 Bonds should be aware that ownership of the Series 2024 Bonds and the accrual or receipt of interest on the Series 2024 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property or casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain Subchapter S Corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2024 Bonds. Bond Counsel does not express any opinion as to any such collateral tax consequences. Prospective purchasers of the Series 2024 Bonds should consult their own tax advisors as to the collateral tax consequences.

Proposed legislation is considered from time to time by the United States Congress that, if enacted, would affect the tax consequences of owning the Series 2024 Bonds. No assurance can be given that any future legislation, or clarifications or amendments to the Code, if enacted into law, will not contain provisions which could cause the interest on the Series 2024 Bonds to be subject directly or indirectly to federal, state or local income taxation, adversely affect the market price or marketability of the Series 2024 Bonds or otherwise prevent the owners of the Series 2024 Bonds from realizing the full current benefit of the status of the interest on the Series 2024 Bonds.

Bond Counsel’s opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinion is not a guarantee of a particular result, and is not binding on the IRS or the courts; rather, such opinion represents Bond Counsel’s professional judgment based on its review of existing law, and in reliance on the representations and covenants that Bond Counsel deems relevant to such opinion. Bond Counsel’s opinion expresses the professional judgment of the attorneys rendering the opinion regarding the legal issues expressly addressed therein. By rendering its opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of the Authority or the University, nor does the rendering of such opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

[Original Issue Discount. As indicated on the front cover page, the Series 2024 Bonds maturing on [] (the “OID Bonds”), are being sold at initial offering prices which are less than the principal amount payable at maturity. Under the Code, the difference between (a) the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of each maturity of the OID Bonds is sold and (b) the principal amount payable at maturity of such OID Bonds, constitutes original issue discount treated as interest which will be excluded from the gross income of the owners of such OID Bonds for federal income tax purposes.

In the case of an owner of an OID Bond, the amount of original issue discount on such OID Bond is treated as having accrued daily over the term of such OID Bond on the basis of a constant yield compounded at the end of each accrual period and is added to the owner’s cost basis of such OID Bond in determining, for federal income tax purposes, the gain or loss upon the sale, redemption or other disposition of such OID Bond (including its sale, redemption or payment at maturity). Amounts received upon the sale, redemption or other disposition of an OID Bond which are attributable to accrued original issue discount on such OID Bonds will be treated as interest exempt from gross income, rather than as a taxable gain, for federal income tax purposes, and will not be a specific item of tax preference for purposes of the federal individual alternative minimum tax. However, it should be noted that the original issue discount that accrues to an owner of an OID bond may result in other collateral federal income tax consequences for certain taxpayers in the year of the accrual.

Original issue discount is treated as compounding semiannually (which yield is based on the initial public offering price of such OID Bond) at a rate determined by reference to the yield to maturity of each individual OID Bond. The amount treated as original issue discount on an OID Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such OID Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such OID Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of interest payable on such OID Bond during the particular accrual period. The tax basis is determined by adding to the initial public offering price on such OID Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior accrual periods. If an OID Bond is sold between semiannual compounding dates, original issue discount which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

The Code contains additional provisions relating to the accrual of original issue discount in the case of owners of the OID Bonds who subsequently purchase any OID Bonds after the initial offering or at a price difference from the initial offering price during the initial offering of the Series 2024 Bonds. Owners of the OID Bonds should consult their own tax advisors with respect to the precise determination for federal and state income tax purposes of the amount of original issue discount accrued upon the sale, redemption or other disposition of an OID Bond as of any date and with respect to other federal, state and local tax consequences of owning and disposing of an OID Bond. It is possible that under the applicable provisions governing the determination of state or local taxes, accrued original issue discount on an OID Bond may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment attributable to such original issue discount until a later year.]

[*Original Issue Premium.* As indicated on the front cover page, the Series 2024 Bonds maturing on [] (the “Premium Bonds”), are being sold at initial offering prices which are in excess of the principal amount payable at maturity. The difference between (a) the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the Premium Bonds is sold and (b) the principal amount payable at maturity of such Premium Bonds constitutes original issue premium, which original issue premium is not deductible for federal income tax purposes. In the case of an owner of a Premium Bond, however, the amount of the original issue premium which is treated as having accrued over the term of such Premium Bond is reduced from the owner’s cost basis of such Premium Bond in determining, for federal income tax purposes, the taxable gain or loss upon the sale, redemption or other disposition of such Premium Bond (whether upon its sale, redemption or payment at maturity). Owners of Premium Bonds should consult their tax advisors with respect to the determination, for federal income tax purposes, of the “adjusted basis” of such Premium Bonds upon any sale or disposition and with respect to any state or local tax consequences of owning a Premium Bond.]

CONTINUING DISCLOSURE

Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, the Authority has covenanted to file with a central repository for availability in the secondary bond market, when requested: (1) an annual independent audit, within 30 days of the Authority’s receipt of the audit; and (2) event specific information within 30 days after the Authority’s actual knowledge of an event adversely affecting more than five percent of the revenues and receipts derived by the Authority pursuant to the Loan Agreement. If requested pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, the University agrees to promptly notify the Authority of any event described in clause (2) above and to provide all information requested by the Authority to comply with this covenant. The only remedy for failure by the Authority to comply with the covenant shall be an action for specific performance. The Authority specifically reserves the right to amend the covenant to reflect any change in Section 11-1-85, without the consent of any holder of Bonds.

At the time of delivery of the Series 2024 Bonds, the University will enter into a Disclosure Dissemination Agent Agreement with Digital Assurance Certification, L.L.C. (“DAC”), as dissemination agent, in substantially the form attached as Appendix E hereto (the “Disclosure Dissemination Agreement”). Pursuant to the Disclosure Dissemination Agreement, the University will covenant for the benefit of the “Holders” (as defined in the Disclosure Dissemination Agreement) of the Series 2024 Bonds, to provide certain financial information and operating data relating to the University (the “Annual Report”) by no later than February 1 following the end of each Fiscal Year of the University, commencing with the report for the Fiscal Year 2024, and to provide notices of the occurrence of certain enumerated events with respect to the Series 2024 Bonds, in accordance with Rule 15c-12(b)(5) under the Securities Exchange Act of 1934, as amended (the “Rule”). The Annual Report will be filed on behalf of the University by DAC, as dissemination agent, with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access system (and with the State Information Depository, if any, established by the State). The notices of such material events will be filed on behalf of the University by DAC with the MSRB (and with such State Information Depository, if any). The specific nature of the information to be contained in the Annual Report and the notices of material events is set forth in Appendix E. These covenants have been made in order to assist the original purchaser of the Series 2024 Bonds in complying with the Rule.

The University covenants and agrees in the Loan Agreement that it will comply with and carry out all of the provisions of the Disclosure Dissemination Agreement. Notwithstanding any other provision of the Loan Agreement, failure of the University to comply with this covenant or the Disclosure Dissemination Agreement shall not be considered an Event of Default under the Loan Agreement or the Indenture of Trust; however, the Trustee, at the request of any participating underwriter or the registered owners of at least 25% in aggregate principal amount of the Outstanding Bonds, shall, or any other holder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the University to comply with its obligations under the Disclosure Dissemination Agreement. For purposes of the covenant in the Loan Agreement, the term “other holder” means any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding bonds through nominees, depositories, or other intermediaries, or (ii) is treated as the owner of any Bonds for federal income tax purposes.

In order to meet its existing annual financial information reporting requirements that are subject to the Rule, the University files its financial statements and certain operating information specified in the respective continuing disclosure undertakings specific to each issuance of bonds for which there is an undertaking under the Rule (each required filing, an “Annual Report”).

LEGAL MATTERS

All legal matters incidental to the authorization and issuance of the Series 2024 Bonds by the Authority are subject to the approval of legality by Parker Poe Adams & Bernstein LLP, Greenville, South Carolina, Bond Counsel to the University. Pope Flynn, LLC, Columbia, South Carolina, is acting as Disclosure Counsel to the University in connection with the offer and sale of the Series 2024 Bonds. Certain legal matters will be passed upon for the Authority by its counsel, Maynard Nexsen PC, Columbia, South Carolina, for the University by Parker Poe Adams & Bernstein LLP, Greenville, South Carolina, and for the Underwriters by Moore & Van Allen, PLLC, Charlotte, North Carolina.

CERTAIN RELATIONSHIPS

Parker Poe Adams & Bernstein LLP, Bond Counsel, has represented, continues to represent or expects to represent in the future, the University, the Authority, the Underwriters, and the Trustee in matters unrelated to this financing. Pope Flynn, LLC, Disclosure Counsel, has represented, continues to

represent or expects to represent in the future, the Authority, the Underwriters, and the Trustee in matters unrelated to this financing.

LITIGATION

There is no litigation pending or, to the knowledge of the Authority or the University, threatened seeking to restrain or enjoin the issuance or delivery of the Series 2024 Bonds or questioning or affecting the legality of the Series 2024 Bonds or the proceedings and authority under which the Series 2024 Bonds are to be issued. There is no litigation pending or, to the knowledge of the Authority or the University, threatened which in any manner questions the right of the University to operate its facilities or to construct, finance or refinance any portion of its facilities in accordance with the provisions of the Indenture of Trust or which, if decided adversely to the University, would materially adversely affect its ability to pay the Series 2024 Bonds.

See Appendix A – “INFORMATION REGARDING FURMAN UNIVERSITY–FINANCIAL CONDITION OF THE UNIVERSITY – Litigation” for information with respect to certain litigation to which the University is currently a party.

FINANCIAL ADVISOR

PFM Financial Advisors LLC (the “Financial Advisor”), serves as financial advisor to the University in connection with the issuance and sale of the Series 2024 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken, to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

MISCELLANEOUS

The University has furnished the information in this Official Statement and in Appendix A hereto relating to its operations and facilities.

The references herein to the Act, the Loan Agreement, the Indenture of Trust, the Series 2024 Bonds, and other materials are brief outlines of certain provisions thereof. Such outlines do not purport to be complete, and for full and complete statements of such provisions, reference is made to such instruments, documents and other materials, copies of which are on file with the University and at the principal corporate trust office of the Trustee.

The attached Appendices A through E are integral parts of this Official Statement and must be read together with all of the foregoing statements.

The Authority and the University have duly authorized the delivery of this Official Statement in connection with the offering of the Series 2024 Bonds.

FURMAN UNIVERSITY

By: _____
Susan A. Maddux
Vice President for Finance and Administration

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APPENDIX A

INFORMATION REGARDING FURMAN UNIVERSITY

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INFORMATION REGARDING FURMAN UNIVERSITY

Furman University (“Furman” or the “University”) is a private, residential liberal arts and sciences university. The University was founded in 1826 and moved to its current 750-acre suburban campus on the outskirts of Greenville, South Carolina, in 1958. Most of Furman’s approximately 2,500 undergraduate and graduate students are from the Southeast, but more than 44 states and 55 countries are represented in the student population. The University offers more than 70 majors, 16 interdisciplinary minors, and 7 masters programs, and emphasizes excellent teaching and close student-faculty relationships. Small classes, individual instruction, empathetic advising, internships, study away opportunities, and personal attention promote active learning and cultivate intellectual curiosity. In 2016, Furman launched The Furman Advantage (“The Furman Advantage”), an academic vision and philosophy intended to ensure that every student receives an unparalleled education that combines classroom learning with real-world experiences and self-discovery to prepare them for successful and meaningful lives and careers. See the Strategic Plan – *A University of Innovation and Impact* (The Furman Advantage) and Academic Programs herein. The 100-year relationship with The Duke Endowment has provided the University over \$240 million which includes the annual funding as well as ongoing support through larger grants for The Furman Advantage. Furman also has 18 men’s and women’s teams in NCAA Division I athletics. The Paladins compete in the Southern Conference.

References in this Appendix A to a “fiscal year” of the University followed by a year (e.g., “fiscal year 2023”) shall mean the fiscal year of the University ended June 30 of the year stated.

The Campus

The University is situated in the scenic foothills of the Blue Ridge Mountains in Greenville County, South Carolina (which has a population of approximately 547,950), seven miles north of the City of Greenville. Located at the foot of Paris Mountain, the campus includes a 30-acre lake and an 18-hole golf course. A rose garden and many fountains add to the beauty of the landscape. The University’s attractive and suburban residential setting contributes to its ability to recruit students.

The 58 major buildings on campus are faced with handmade brick, and many have columned porches, a style that adds the historical architectural flavor of the area to the latest in educational facilities. Academic buildings include McAlister Auditorium, the site of many University and community-sponsored performances; the Homozel Mickel Daniel Music Building, providing modern studios and performance rooms for Furman’s noted Music Department; the Townes Science Center, a 190,000-square-foot, state-of-the-art facility renovated and expanded in 2006 and utilized by Furman’s four prominent science departments; the James Buchanan Duke Library, erected in 1957 and expanded in 2003; the Richard W. Riley Hall for Computer Science, Mathematics, and Economics; the Thomas Anderson Roe Art Building, which includes a gallery for traveling exhibits as well as facilities for art instruction; Herman Hipp Hall, housing Furman’s Business and Accounting and Education Departments; John E. Johns Hall, for Social Sciences; and Furman Hall, home of the University’s Humanities division.

Other major buildings and amenities include a lakeside dining hall and the 96,000-square-foot Trone Student Center; the Bell Tower, an iconic campus landmark that is a replica of the tower attached to the Main Building on the former men’s campus in downtown Greenville; the Earle Student Health Center, including the Trone Center for Mental Fitness; the Charles Ezra Daniel Memorial Chapel; Hartness Welcome Center; and the Administration Building. Prominent athletics facilities include Paladin Football Stadium; REK Center for Intercollegiate Golf; Timmons Arena, a multipurpose basketball facility seating approximately 5,500 and configured to accommodate concerts, trade shows, and conventions; and the

Herman W. Lay Physical Activity Center. Furman is also home to the Younts Conference Center, a 13,000-square-foot facility that provides meeting space for Furman and the Greenville community.

The Project

Overview

The Project comprises the completion of both the South Housing Project and the North Village Project, and the third phase of improvements and renovations to the Timmons Arena Project (each as defined below). Construction costs for the South Housing Project and the North Village Project are being funded from approximately \$72 million of proceeds from the Series 2022 Bonds (the “Series 2022 Bonds,” as such term is more particularly defined herein), and from approximately \$63.4 million of proceeds from the Series 2024 Bonds. The construction costs of the Timmons Arena Project are being funded from fundraising—\$15 million of \$29 million in pledges are on deposit—and proceeds of the Series 2024 Bonds.

South Housing Project

In Spring 2023, Furman began its largest construction project to date, an \$80.6 million comprehensive renovation of its five-building South Housing complex (the “South Housing Project”). The South Housing Project will replace Blackwell Hall with a new hall, relocate the Center for Inclusive Communities into the new hall, and introduce a host of modern amenities in the new and existing halls designed to support student success and belonging, enhancing the first-year experience for Furman students. Construction of the new hall is expected to be completed in Summer 2024. The renovations of the four other halls will be completed by Fall 2025 and will be funded by \$44.8 million of Series 2024 Bond proceeds. The University has entered into a guaranteed maximum price contract with Harper Corporation for the South House Project.

The South Housing Project will transform the 60-year-old quad of South Housing residence halls into a vibrant first-year student hub or village, creating personal and social space to meet the changing needs of students for decades to come. It will also modernize the living, accessibility, security, privacy and sustainability components of the facilities, improving student safety while also strengthening the University’s commitment to sustainable practices with the University’s systems and infrastructure. It will activate both outdoor and indoor spaces that are critical to the first-year experience, setting a trajectory for student success.

North Village Project

The North Village renovation project (the “North Village Project”) is an update and modernization of the third- and fourth-year students’ independent living experience. North Village is an 11-building, 1,020-bed apartment-style residential complex located on the North end of campus. Phase 1 included 6 of the buildings and is expected to be fully complete by May 2024. Phase 2 of the project totals \$18.6 million and will be funded from Series 2024 Bond proceeds. The \$54.8 million comprehensive renovation includes upgrades to safety, accessibility, sustainability, interior design and exterior aesthetics. Students will see new flooring, lighting, furniture, appliances and more natural light which was an important feature for the University’s student focus groups. Structural changes include converting shared bedrooms to private bedrooms and enclosing balconies and patios into glass-enclosed sunrooms. The goal of preparing students for lives of leadership and purpose lies at the center of this comprehensive renovation project. The University has entered into a guaranteed maximum price contract with Triangle Construction for the North Village Project.

Timmons Arena Project

Furman will break ground on the \$35 million third phase of renovation of Timmons Arena, the University's basketball and entertainment venue, in April 2024 (the "Timmons Arena Project"). The renovations will include a reimagining of the arena's entrance and lobby, upgrades to seating options allowing better game day and back-of-house functionality, improved audio and visual components, enhanced box office support for Timmons and external venues, a dedicated student zone, a children's play area, sensory deprivation and nursing rooms, new visiting team locker room, and enhanced concessions, including "Grab & Go" options. The back-of-house will be updated to provide an event staffing area, upgraded officials' lounge, a media interview room, an increased number of offices for current staffing needs, food commissary, updated IT infrastructure, and expanded storage. At the completion of the Timmons Arena Project, the capacity of the renovated arena will be 2,750 and feature 360-degree concourse access to lower-bowl seating. The renovated structure will allow Furman to improve the student experience with better opportunities to utilize the building for internal campus events such as Furman Engaged, graduation, convocation, career fairs, student group events, and more. The first two phases of the Timmons Arena renovations, costing \$3.6 million, have been completed and included renovations to coaches' offices, locker rooms for men's and women's basketball, team rooms and other facilities, all of which were paid for from donor contributions to the University's Basketball Facility Enhancement Fund.

The Timmons Arena Project is intended to be primarily donor funded. By December 31, 2024, \$20 million in cash is expected to be received. The Series 2024 Bond Proceeds will provide the additional \$15 million. It is anticipated that another \$9 million in pledge receipts will be received during the construction period and after completion of the Timmons Arena Project. The Basketball Facility Enhancement Fund pledge receipts may be applied directly to the cost of the Timmons Arena Project and to pay debt service in amounts borrowed for such purpose, and for such other purposes for which the Fund was established. Harper Corporation is the contractor for the Timmons Arena Project under a guaranteed maximum price contract.

Strategic Plan

With Furman's bicentennial in 2026, the strategic plan incorporates three pillars: (1) A University of Innovation and Impact. Furman will strengthen its position as a national leader in individualized learning and student outcomes. By enhancing The Furman Advantage and refining the four-year pathway, the University will prepare every graduate for a meaningful career and a life of fulfillment. (2) A Thriving Community. Central to Furman's strategic plan is the cultivation of a vibrant, interconnected community where well-being and engagement flourish. Furman also will deepen its commitment to a core value of sustainability, underscoring that functioning ecosystems underpin the health of human communities. (3) A Sustainable Future. By bolstering its financial foundation through additional revenue generation and fundraising, the University will ensure its long-term success.

A University of Innovation and Impact. The Furman Advantage, including the Pathways Program, as well as the four institutes are at the core of innovation and impact. The organizing structure for academic programs at Furman is *The Furman Advantage*, the comprehensive strategic vision launched in 2016 with an initial grant of \$25 million from The Duke Endowment. The Furman Advantage envisions the student experience as an individualized pathway that is characterized by challenging academics, plentiful and rich opportunities to apply learning outside the classroom, frequent and meaningful reflection practices that deepen student learning and help students understand their emerging interests and values, and an ecosystem of support that facilitates students' discernment about their career paths and connections and competencies that will allow them to realize their goals. The goal of a Furman education is an excellent first match with a job, graduate or professional school placement, or service opportunity upon graduation, and a life of meaning and purpose. Furman faculty and staff identify as mentors who guide students along their

personalized pathways to ensure that every student has full access to all that Furman has to offer. This process begins with Pathways, a defining element of The Furman Advantage, which is a two-year program. The Pathways Program® is an advising program supporting first- and second-year students that is a graduation requirement. The program was designed with the goal of providing all students with a foundation that will promote their well-being and success, ensure awareness of available resources, and allow all students to achieve the promise of The Furman Advantage. The program consists of a set of four one-credit, letter-graded courses. Students complete one course each term for their first four semesters, thereby totaling four credits by the end of a student's sophomore year.

Excellent classroom learning is foundational for the student experience at Furman. Courses are offered in a traditional semester calendar with an optional three-week May term (the “May Experience”) that allows students to take innovative courses both on campus and through study abroad programs. General education requirements at Furman are based on the belief that the problems and opportunities of the 21st century are best engaged from multiple disciplinary perspectives. Each Furman student completes courses that expose them to different frameworks for understanding people—their institutions, behavioral tendencies, cultures, and creative activities—and the physical and natural systems that affect them. Each student will choose at least one major subject from among over 70 options that include traditional arts and sciences disciplines, interdisciplinary programs such as urban studies, neuroscience, Africana studies, and women's, gender, and sexuality studies, and subjects such as business, accounting, computer science, communication studies and public health in their pursuit of a Bachelor of Arts, Bachelor of Science, or Bachelor of Music degree. Furman students may also choose from among 16 interdisciplinary minors, including data analytics, poverty studies, film studies, Latin American and LatinX studies, and medicine, health, and culture. The Furman class experience is characterized by the philosophy of “challenge and support.” Challenge promotes student growth, but only when it is matched by the support provided by an engaged faculty that identifies as a community of mentors.

Furman seeks to ensure that *every* student has at least one high-quality, impactful, engaged learning experience—an opportunity to apply learning outside the classroom—before they graduate. Engaged learning experiences are facilitated by Furman's Center for Engaged Learning, which oversees internships, study away, and undergraduate research, and it works closely with Furman's four Institutes: the Riley Institute, the Institute for the Advancement of Community Health, the Shi Institute for Sustainable Communities and the Hill Institute for Innovation and Entrepreneurship. Furman's Institutes have developed a portfolio of community partners that are helping communities address problems and seize opportunities. The Institutes act as conveners of community entities, project evaluators, and research partners, and they facilitate hundreds of opportunities for students to apply their learning to real-world issues each year. The Institutes have also expanded Furman's academic footprint by converting their expertise into learning opportunities for professionals, practitioners, and other non-traditional learners. Examples include the Riley Institute's Diversity Leaders Initiative, the Shi Institute's Sustainability Leaders Initiative, the Hill Institute's Business Innovation Accelerator, and the Community Health Institute Master's in Community Engaged Medicine program.

Since the first full year of The Furman Advantage (the 2017-18 academic year), 88–95% of each graduating class has reported having at least one of these impactful experiences (internship, research with a faculty member, or study away), a 9% increase since launching The Furman Advantage. In the Class of 2023, 51% of students report having at least one study away experience, 73% report having an internship experience, and 46% report having an undergraduate research experience. For the Class of 2023, over 63% of students had two engaged learning experiences, an 18% increase since launching The Furman Advantage, and 37% had three or more experiences, a 17% increase since launching The Furman Advantage.

In order to meet the promises of The Furman Advantage, faculty and staff engagement has also increased. In the summer of 2023, 231 students had full-time mentored research experiences with 81 faculty members, who represented 24 of the University's 25 academic departments (or approximately 34% of faculty, about a 10% increase since before The Furman Advantage). Currently, over one-fourth of the University's faculty participate in faculty-led study away programs. Furman's Faculty Development Center supports engagement by providing resources, workshops, and individualized support for faculty and staff who are working to enhance or expand their capabilities related to teaching, mentoring and advising, engaged learning, diversity, equity, and inclusion, and other areas of professional interest throughout the career life cycle.

Since 2017, Furman has partnered with Gallup to aid the University in tracking and assessing The Furman Advantage and its impact. The Duke Endowment provided two grants totaling over \$3.8 million for Furman to partner with Gallup. In a survey conducted in 2018, Gallup found that Furman alumni exceed the national average in having received the experiences and support at Furman that are essential for success after graduation. According to Gallup, Furman alumni are 3.4 times more likely to be engaged at work and 2.9 times more likely to be thriving in wellbeing as a result of their Furman education. Preliminary results from an alumni survey conducted in Fall of 2024 show that Furman alumni score at least ten percentage points higher than the national average in well-being, and Furman graduates reported that Furman cares about their success at higher rates than alumni nationally by 18 percentage points.

As part of Furman's partnership with Gallup, Furman also surveys its employees. Furman is characterized by an engaged faculty and staff, which contributes to the engagement of its students. In addition to using Gallup's national survey items, Furman and Gallup have created unique items to assess The Furman Advantage. For example, to demonstrate Furman's commitment to mentoring and advising, the University asks, "do you regularly (i.e., at least a few times per semester) have conversations with individual students to support their growth?" On average since 2018, 100% of faculty answered yes; 80% of staff answered yes (including non-student-facing staff).

In March of 2021, Furman received a second \$25 million grant from The Duke Endowment to expand and advance The Furman Advantage; the grant is payable over six years ending fiscal year 2027. In February 2024, in recognition of The Duke Endowment's centennial year, Furman announced an additional \$25 million grant in support of The Furman Advantage. This grant brings The Duke Endowment's direct total investment in The Furman Advantage to \$78.9 million. Additional commitments in the current campaign to support The Furman Advantage total over \$17 million.

A Thriving Community. Furman believes a thriving community exists when students have the resources available to be successful, a sense of well-being and a sense of belonging. An example of this commitment is a \$10 million gift provided to Furman dedicated to the mental health of Furman students. In Fall 2023, Furman launched On Discourse, an initiative designed to amplify and strengthen the University's commitment to free and rigorous inquiry. Grounded in Furman's mission and values, this type of inquiry is nurtured through activities that encourage and prepare students, staff, and faculty to engage in healthy dialogues and respectful disagreement. On Discourse highlights campus programming that demonstrates and encourages these modes of engagement and teaches healthy ways to disagree with individuals who embrace different points of view. From this initiative, Furman adopted a Statement on Freedom of Inquiry and Expression which was endorsed by the faculty and approved by the Board of Trustees. Finally, Furman will deepen its commitment to its core value of sustainability, underscoring that functioning ecosystems underpin the health of human communities. This includes recommitting to and realizing the plan to become carbon neutral as a responsible global citizen.

A Sustainable Future. Furman's long-term financial outlook is strong. To fortify this position, Furman will prioritize financial strength and sustainability as it enters its third century. By bolstering its

financial foundation through additional revenue generation and fundraising, the University will ensure its long-term success. Finally, Furman commits to articulating a distinct brand identity to advance its goals in recruiting, fundraising, and reputation.

Sustainability

Since the mid-1990s, Furman has made sustainability a strategic institutional priority. Over the last decade, Furman has been recognized as a national leader in higher education in sustainability and has won numerous national and regional awards in recognition of its sustainability efforts and reputation. The University has earned and maintained a Sustainability Tracking, Assessment, and Rating System (“STARS”) Gold rating from the Association for the Advancement of Sustainability in Higher Education (“AASHE”) since 2015, placing the University among the top 10 overall sustainability performers among reporting baccalaureate institutions within the United States. In the report released in September 2023, Furman was the fourth-highest-rated baccalaureate institution for sustainability performance. The University also ranked fourth among all types of institutions for its commitment to campus engagement and sustainability education activities for students, faculty, and staff.

The University is home to the nationally renowned Shi Institute for Sustainable Communities (the “Shi Institute”), an institute focused on promoting sustainable human flourishing through sustainability education, research, and leadership. The Shi Institute resides in a net-zero, LEED-Gold-certified home and brings together environmental scientists and economists, urban planners and policy experts, students, faculty, community members, sustainability visionaries, and elected officials to collaboratively pursue and promote sustainable communities. The building features many sustainable technologies, including solar thermal and solar electric systems, passive solar design, locally sourced materials, an organic farm, a pervious hardscape, and many other sustainable features. The Shi Institute has 8.5 full-time equivalent employees and helps lead and track the University’s sustainability efforts. It offers a wide array of campus, community, and corporate sustainability programs focused on teaching, research, leadership, and sustainable practices.

In 2007, Furman became one of the early signatories of the American College and University Presidents Climate Commitment (“ACUPCC,” now known as the Presidents’ Climate Leadership Commitments) and began pursuing carbon neutrality. The University has cut its carbon emissions by 35% since the peak in 2009 through a series of large campus energy projects, a transition to more renewable energy sources, and significant efforts to improve energy efficiency. Furman has eight LEED-certified buildings, including Hipp Hall, the first LEED-certified building in South Carolina.

In 2013, the University completed a large geothermal system for all of the upper-class residence buildings. The deep well system uses the consistent temperatures in the ground to exchange heat to and from buildings and has reduced annual energy usage by 25% per building. The campus also features a number of solar installations, including a 93-kW rooftop array at the Physical Activities Center, the collective 28.4-kW arrays at The Shi Institute, the 12.8-kW panels located next to the Townes Science Center, the 13-kW system on the roof of the new track and field house, and the 6-acre 743-kW solar farm across from the campus’s main entrance. The solar farm’s 2,994 panel array has lowered Furman’s average annual energy costs by about 5% annually since coming online in 2017.

Rankings

In the latest *U.S. News & World Report* rankings, Furman ranked No. 46 among all “National Liberal Arts Colleges,” placing the University in the top quarter of all liberal arts and sciences universities, as well as the top-rated liberal arts and sciences institution in South Carolina, and fifth in the Southeast in its category. In the same rankings, Furman jumped 12 places to No. 20 among all colleges and universities

in the “Best First-Year Experiences” category. Furman is particularly proud of being ranked No. #4 in the rankings for the “Most Innovative Schools” in 2023. This recognition by Furman’s peers is a testament to the success of The Furman Advantage.

Also in 2023-24, Furman was included in *The Princeton Review’s* “Best 389 Colleges” and “Best Value Colleges” guides. The publication also ranked Furman No. 12 on its list of “Best Schools for Making an Impact” and No. 22 for “Most Accessible Professors.”

Governance

The University is governed by a self-perpetuating Board of Trustees (the “Board”) consisting of between 30 and 36 members elected for staggered terms. Membership on the Board is for a term of three years, with eligibility to serve up to four three-year terms.

The Board has three regularly scheduled meetings in each fiscal year, which are held in October, February, and May, or such other times as may be determined by the Board. The Executive Committee of the Board is empowered to act on behalf of the Board with regard to specified matters. Meetings of the Executive Committee are held as needed.

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Trustees

The members of the Board, along with their primary affiliations as of July 1, 2023, are as follows:

Current Trustees

Trustee	Primary Affiliation	Term
Charles Ambrose	Chancellor, Henderson State University	2021-2024
Kevin R. Bryant	Managing Director, Marsh McLennan Agency	2021-2024
Kevin T. Byrne, Chair	CEO, The University Financing Foundation	2021-2024
Christi Newsom Byron, Secretary	Retired President, Southeast for NFP Corp.	2022-2025
Jolley Bruce Christman	Founder, Research for Action	2021-2024
Thomas Cullen	United States District Judge	2022-2025
Kristin Baucom Davies	Partner, Family-Owned Businesses Franchises	2023-2026
Cynthia Davis	Retired President, Nike Golf	2021-2024
Lee C. Dilworth	Founder and CEO, ReVIDA Recovery Centers	2023-2026
Francis Ellison	Retired Attorney	2022-2025
Johnna Frierson	Assistant Dean, Duke University School of Medicine	2021-2024
David L. Hauser	Retired CEO, FairPoint Communications, Inc.	2021-2024
Robert E. Hill, Jr., Vice Chair	Retired CEO, Acosta, Inc.	2023-2026
Yendelela Neely Holston	Partner, Kilpatrick, Townsend & Stockton	2021-2024
Mark A. Kaiser	Independent Consultant	2023-2026
Raymond B. King	President and CEO, Zoo Atlanta	2023-2026
James A. Lanier, Jr.	Retired Vice President, Interface Technologies	2022-2025
David Laxer	President/Owner, Bern's Steak House	2022-2025
Anthony Wilton McDade	Retired Executive Director, United Ministries	2023-2026
Traci Miller	Child and Adolescent Psychologist	2022-2025
Jason W. Richards	Global Business Director, NAI Earl Furman	2022-2025
Paul L. Robertson III	Partner, Edge Capital Group, LLC	2021-2024
Susan T. Shi	Community Volunteer, Former First Lady of the University	2023-2026
A. Alexander Taylor II	Retired Chairman/CEO, FGX International	2023-2026
Elizabeth B. Taylor	Retired, Healthcare Director and Real Estate	2023-2026
Brenda J. Thames	Former Vice President & Chief Academic Executive Officer, Prisma Health	2021-2024
Lizanne Thomas	Chair, Corporate Governance Practice	2023-2026
Rachelle H. Thompson	Vice President and Chief Human Resources Officer, Carpenter Technology Corporation	2023-2026
C. Kemmons Wilson III	Principal, Kemmons Wilson Companies	2023-2026
Matthew Walls Wilson	Chair, Department of Ophthalmology, University of Tennessee and Director, Hamilton Eye Institute	2022-2025
Richard W. Wrenn	Retired President, Premier Magnesia, LLC	2022-2025

Emeritus Trustees

Trustee	Primary Affiliation
Robert H. Buckman	Former CEO, Bulab Holdings, Inc.
Merl F. Code	Counsel, Ogletree, Deakins, Nash, Smoak & Stewart
John C. Cothran	Retired Chair, Cothran Company
Ravenel B. Curry III	Founder and CO-CIO, Eagle Capital Management, LLC
W. Randy Eaddy	Former President and CEO, Arts Council of Winston-Salem and Forsyth County; Former Partner, Kilpatrick Townsend & Stockton LLP
David G. Ellison	Wealth Management Advisor, Northwestern Mutual
P. Edwin Good Jr.	Founder, Hampton Development Co.
Sean P. Hartness	CEO, Hartness Development
Francie M. Heller	Specialist, Investment Office Resources; Director, Arabesque Asset Management USA; Founder and Managing Partner, Heller Advisory
William B. Howes	Retired CEO, Inland Paperboard & Packaging, Inc.
Stanford J. Jennings	Southeast Central Regional Sales Manager, New Balance Athletics, Inc.; Former NFL Player
Carl F. Kohrt	Former Interim President, Furman University; Former President and CEO, Batelle
Richard W. Riley	Former U.S. Secretary of Education; Former Governor, South Carolina; Senior Partner, Nelson Mullins Riley & Scarborough
Leighan Roberts Rinker	Founder and President, Beginnings of Palm Beach County
Daniel S. Sanders	Former President, ExxonMobil Chemical Company; Former Chairman, American Chemical Company
Emilyn Childs Sanders	Founding Member of Board of Trustees, Upcountry History Museum
Frank R. Shaw	Owner and CEO, Shaw Executive Services and Canton Convalescent Center, Inc.
Peace Sullivan	Retired Psychoanalyst
Elizabeth Peace Stall	Founding President, The Peace Center
David Trone	U.S. House of Representatives; Founder and Former CEO/President, Total Wine & More
Baxter M. Wynn	Retired Minister of Pastoral Care and Community Relations, First Baptist Church

Administration

Furman is operated on a day-to-day basis by the President and other officers and senior administrators of the University. The President, who is an ex-officio member of the Board, directs the general affairs of the University and is responsible to the Board as executive head of the University. The President serves at the pleasure of the Board. All Vice Presidents and other senior administrators serve at the pleasure of the President.

The following table lists the names of the principal executive officers and senior administrators of the University, the position held by each and the period during which each has served in such position. A brief statement of the background of each officer and senior administrators is set forth below the table.

Executive Officers

<u>Name</u>	<u>Position</u>	<u>Held Since</u>
Elizabeth Davis	President	2014
Beth Pontari	Vice President for Academic Affairs and Provost; Professor of Psychology	2022
Susan A. Maddux	Vice President for Finance and Administration	2018
Heidi Hansen McCrory	Vice President for Development	2018
Connie Carson	Vice President for Student Life	2008
Emily Schuck	Vice President for Enrollment Management	2023
Tom Evelyn	Vice President for University Communications	2016
Jason Donnelly	Vice President for Intercollegiate Athletics	2022
Meredith Green	General Counsel	2017
Liz Seman	Chief of Staff, Liaison to the Board of Trustees	2015
Danny Tang	Associate Vice President for Technology and Chief Information Officer	2022
Jeremy Cass	Dean of Faculty	2020
Franklin Ellis	Associate Dean and Director of the Center for Inclusive Communities and Special Assistant to the President for Diversity & Belongingness	2023

Dr. Elizabeth Davis became Furman’s 12th President on July 1, 2014. Before coming to Furman, she spent 22 years at Baylor University in Texas, where she was a member of the accounting faculty and most recently held the position of Executive Vice President and Provost. Under her leadership at Furman, the University has instituted The Furman Advantage. In September 2019, Dr. Davis was the recipient of the William M. Burke Presidential Award for Excellence in Experiential Education in recognition of her significant contributions to experiential education, including creating The Furman Advantage. She has been recognized as one of Greenville Business Magazine’s “50 Most Influential People,” and is now included in the “Most Influential Hall of Fame.” Dr. Davis is currently a member of the Board of Directors of the United Way and has served on the board of the Greenville Chamber of Commerce. She has also served on the board of the Council of Independent Colleges, the Association of Governing Boards Council of Presidents, and on the American Council on Education’s Women’s Network Executive Committee. Dr. Davis received her Bachelor of Business Administration degree from Baylor in 1984, and earned her Ph.D. from Duke University in 1992.

Beth Pontari was named Vice President for Academic Affairs and Provost in April 2024, after serving on an interim basis since July 1, 2022. Prior to such appointment she served as Associate Provost for Engaged Learning for five years. As Associate Provost, she helped to launch The Furman Advantage and was responsible for promoting Furman’s academic vision to internal and external audiences and for tracking and assessing its progress, including by facilitating Furman’s partnership with Gallup. She has served on the University’s faculty in the psychology department since 2001 and chaired that department for four years. She received her Ph.D. and master’s degree from the University of Florida and her bachelor’s degree in psychology from Colgate University.

Susan A. Maddux is Vice President for Finance and Administration. Ms. Maddux joined the University as Vice President for Finance and Administration in November 2018. She came to the University from Presbyterian College, where she had served as Vice President for Finance and Administration and Chief Financial Officer since 2013. Before joining Presbyterian College, she spent 19 years in the finance and administration office at Converse College. Prior to her career in higher education, Ms. Maddux worked as a certified public accountant at Ernst & Young. She is a graduate of Converse College and received a Master's of Professional Accountancy from Clemson University.

Heidi Hansen McCrory is Vice President for Development. Ms. McCrory joined the University as Vice President for Development in 2018 after serving four years as Vice President for College Relations at Kenyon College in Ohio. She also spent 14 years at Sweet Briar College in Virginia, serving as Associate Vice President for Development, Vice President for Development, and Vice President for Alumnae and Development. Prior to serving at Sweet Briar College, she served in director positions at Randolph-Macon Woman's College, the University of North Carolina at Greensboro, and New England College. Ms. McCrory is a graduate of Southern Methodist University and earned a master's degree in English from the University of North Carolina at Greensboro.

Connie Carson is Vice President for Student Life. A graduate of North Carolina State University, she holds an M.Ed. from North Carolina State and an MBA from Wake Forest University. Prior to joining the University in 2008, she served as Assistant Vice President of Campus Services and Planning at Wake Forest. During her tenure at Wake Forest, she also served as the Associate Director of Residence Life and Housing and Executive Director of Residential Services and as the President of the Association of College and University Housing Officers-International.

Emily Schuck became the Vice President for Enrollment Management in June 2023. She came to the University from Marietta College, where she was hired as Director of Student Financial Services in 2013 and became Assistant Vice President for Enrollment Management in 2016. From 2001 to 2013, she worked as Assistant Director of Admissions and Director of Financial Aid and Government Relations at Washington State Community College in Marietta, Ohio. She has a bachelor's and a master's degree from Marietta College and is a doctoral candidate in higher education leadership at Concordia University in Chicago with an expected graduation in 2025.

Tom Evelyn is Vice President for University Communications. Mr. Evelyn joined the University as Vice President for University Communications in August 2016. Before coming to the University, he served in various communications and marketing leadership roles at the University of Florida, St. Lawrence University, Bucknell University, and the University of Central Florida. Before joining the higher education community, Mr. Evelyn served as an intelligence analyst in the U.S. Navy and spent ten years working as a reporter and editor at newspapers in Florida and Georgia. He is a graduate of the University of Florida and earned a master's degree in communications from the University of Central Florida.

Jason Donnelly was appointed to the position of Vice President for Intercollegiate Athletics in 2022, after serving as the University's Director of Athletics since August 2019. Mr. Donnelly came to Furman from Villanova University, where he served as Senior Associate Athletics Director and Executive Director of Athletics Development. Mr. Donnelly has also served as an assistant coach for the men's basketball team at Muhlenberg College and as Director of Basketball Operations for USA Basketball at the 2007 Pan American Games in Brazil. He is a graduate of Muhlenberg College and earned a master's degree in public administration from Villanova University.

Meredith Green joined Furman as General Counsel in 2017. Before coming to Furman, Ms. Green worked at the law firm of McGuireWoods LLP in Charlotte, North Carolina, where she practiced primarily in the area of higher education law. Ms. Green graduated from Furman magna cum laude in 2005, and was

a member of Phi Beta Kappa. She graduated magna cum laude in 2010 from the Wake Forest University School of Law, where she was executive editor of the Wake Forest Law Review and a member of the law honor society Order of the Coif.

Liz Seman joined Furman in 2013 as the Executive Director of Corporate Engagement, and has served as Chief of Staff and Liaison to the Board of Trustees since 2015. Prior to coming to Furman, her nonprofit career included senior leadership roles with the American Red Cross, Hands on Greenville, and Meals on Wheels. In addition to her role at Furman, Ms. Seman serves on the Greenville County Council and has represented District 24 since 2008. Ms. Seman holds a Bachelor of Science degree in business from Miami University in Ohio.

Danny Tang has served as Associate Vice President for Technology and Chief Information Officer since 2022. He is responsible for all IT services at the University and seeks to ensure that the University has and continues to have the technology it needs to be successful. He has extensive experience in leading IT transformations and providing IT services in support of the academic mission across multiple higher education institutions. Mr. Tang received a bachelor's degree in aerospace, aeronautical and astronautical engineering from the University of Illinois Urbana-Champaign and a master's degree in analytics from the Georgia Institute of Technology.

Jeremy Cass joined the Furman faculty in 2004 in the Department of Modern Languages and Literatures, where he is currently a Professor of Spanish. He took on the role of Associate Academic Dean in 2017 and Dean of Faculty in 2020. Mr. Cass has primary responsibility for the management of Furman's undergraduate academic programs, including 25 academic departments, programs, and interdisciplinary minors. He provides extensive support for faculty in their efforts to provide a transformational education for Furman's students and in the development and enrichment of their scholarly profiles. He holds a bachelor's degree from Furman and an M.A. and Ph.D. in Hispanic Studies from the University of Kentucky.

Franklin Ellis joined Furman in 2023 as Associate Dean and Director of the Center for Inclusive Communities and Special Assistant to the President for Diversity and Belongingness. His career spans more than 20 years in higher education, beginning in residence life and later transitioning to multicultural services. He earned a bachelor's degree in psychology and philosophy from Coastal Carolina University, a master's degree in mental health counseling from Wright State University and licensure as a professional counselor in Dayton, Ohio. He also earned his doctorate in marriage and family therapy from the Chicago School of Professional Psychology in Westwood, California. He specializes in multicultural counseling. He advocates for equality and equity for all individuals with institutionally marginalized identities by creating spaces that affirm them while aiding in the education and growth of those with institutionally dominant identities.

Accreditation

The University is accredited by the Southern Association of Colleges and Schools Commission on Colleges ("SACSCOC"), the primary accrediting body for institutions of higher education in the southeastern United States. The last SACSCOC accreditation was in 2016-18 and resulted in a reaffirmation of the University's accreditation. The University's next SACSCOC review is scheduled for 2026-28.

Academic Programs

Undergraduate Degrees Offered. Courses are offered leading to the completion of three undergraduate degrees: Bachelor of Arts, Bachelor of Music, and Bachelor of Science. Areas of major specialization include the following: Accounting; Africana Studies (Humanities and Social Sciences

Tracks); Anthropology; Art (Art History and Studio Art Tracks); Asian Studies; Biology (Biomedical Sciences, Cell and Molecular Biology, and Environmental, Conservation, and Integrative Biology Tracks); Business Administration (Business Administration, Entrepreneurship, Finance, International Business, and Marketing Tracks); Chemistry (Biochemistry and Environmental Chemistry Tracks); Chinese Studies; Classics (Historical Language and Literature and Information Tradition and Text Tracks); Communication Studies (Media Studies and Rhetoric and Advocacy Tracks); Computer Science; Earth and Environmental Sciences; Economics; Education; Educational Studies; Engineering (Dual Degree Program); English (Literature and Language and Writing Tracks); French; German Studies; Health Sciences; History; Information Technology; Japanese Studies; Mathematics (Applied Mathematics and Economics Tracks); Music; (Church Music, Composition, Education, Theory, and Performance Tracks); Neuroscience; Philosophy; Physics; Politics and International Affairs; Psychology; Public Health; Religion; Sociology; Spanish; Sustainability Science; Theatre Arts; Theatre Studies; Urban Studies; and Women's, Gender, and Sexuality Studies.

While all students are required to complete a major, students may choose to supplement their major by choosing an interdisciplinary minor. Interdisciplinary minors are offered in the following 16 areas: Africana Studies; Ancient Greek and Roman Studies; Data Analytics; Environmental Studies; Film Studies; Humanities; Journalism; Latin American and Latinx Studies; Linguistics; Medicine, Health and Culture; Middle East and Islamic Studies; Musical Theatre; Poverty Studies; Science Education; Visual Strategy; and Women's Gender and Sexuality Studies.

Graduate Degrees Offered. The University grants Master's of Arts or Science degrees in seven programs: Education (M.A.), Strategic Design (M.A.), Education (M.A.T.), Chemistry (M.S.), Community Engaged Medicine (M.S.), Advocacy and Equity Studies (M.A.) and Innovation and Leadership (M.S.), and grants the specialist degree in School Leadership (Ed.S.).

General Education. To acquire the breadth in educational experience that characterizes liberal arts education, to develop intellectual discipline, to discover their interests, and to build foundations for specialization, students must complete certain General Education courses in broad subject areas: (1) two courses in writing proficiency; (2) core requirements in empirical studies, human cultures, critical/analytical interpretation of texts, visual and performing arts, mathematical and formal reasoning, foreign language, ultimate questions, and body and mind; and, (3) global awareness courses in world cultural traditions, the natural environment/environmental studies and identities, equity, and justice.

Sustainability. The University is a national curricular leader among institutions of higher learning in developing and offering sustainability programs. Furman was one of the first baccalaureate institutions to offer a Bachelor of Science degree in sustainability science, and it continues to be one of the most popular majors at the University. The Shi Institute is well aligned with The Furman Advantage providing extensive high impact experiences for students through the University's campus and community fellowship program, campus organic farm, residential intentional sustainable living community, and low-income home weatherization program, among others.

Cultural Life Program. This program is designed to supplement the educational experience offered to Furman students and includes a broad selection of cultural events throughout the year, including plays, lectures, and concerts. Students complement their traditional and immersive classroom learning with a variety of events and experiences that encourage them to apply their academic learning in a real-world setting as they seek to become well-minded and thoughtful citizens.

Study Away Programs. A number of credit programs for study abroad are offered. These range from short-term courses during the May Experience term, to full-term programs during the fall or spring semesters. All May Experience study away programs are led by Furman faculty and staff. For fall and

spring semesters, Furman offers faculty-led and affiliate programs. For faculty-led programs, Furman faculty members coordinate and direct the programs. Examples of these programs include a program sponsored in England, with resident study in London and Stratford-upon-Avon; extensive language and literature study offered in Madrid, Rennes and Berlin; a music program in Italy and an internship experience associated with a European Union institution in Brussels. Travel study programs in the United States are also available in Washington, D.C. and San Francisco.

Independent Study and Research. An integral part of the educational program at Furman is the opportunity to do independent study and research. In independent study courses, students develop their own goals and their own learning activities with the assistance of faculty members. Research projects offer students an opportunity to engage in original scholarship, often in collaboration with a faculty member. These projects can take place either during the academic year or during the summer.

Internships. Furman strongly supports programs that allow students to apply their in-class learning to a work experience. An active internship program (in the Class of 2023, 73% reported having an internship) provides opportunities throughout the academic year for credit and during the summer for students to apply learning to integrate theory with practice and to explore career possibilities. In addition, the Internship Office supported 220 summer fellows who received a stipend for unpaid internships. Students are guided in their selection of internships by mentors who help them identify opportunities that fit with their interests and capabilities. Recent internships have included positions at museums, government offices, business and financial institutions, hospitals and clinics, social service agencies and media companies.

Teacher Education Program. Students may prepare for certification in elementary education, preschool education, and special education.

Pre-professional Programs. Furman offers programs that prepare students for professional studies in health fields such as medicine, dentistry, veterinary medicine, optometry, nursing, occupational therapy, pharmacy, physical therapy and physician assistant. Furman has two dedicated pre-health advisors and a partnership with Prisma Health as its primary undergraduate partner in its health sciences center. This partnership allows for clinical and non-clinical experiences for students and faculty. In addition, Furman has a dedicated pre-law advisor and offers a dual-degree engineering program in partnership with Clemson University and Georgia Tech University.

Student Life

The Furman Advantage is driven by a strong, integrative partnership between Academic Affairs and Student Life. The University has a four-year residential requirement to ensure that students receive The Furman Advantage. Limited exemptions are made for students residing with their families within commuting distance, married students, and students who provide care for dependents. The University provides three distinctive living options. The first is two sets of traditional residence halls – the Clark Murphy Housing Complex (seven buildings and approximately 700 beds) and South Housing (five buildings and approximately 710 beds). Second, the University has an 11-building, 1,020-bed apartment-style residential complex located on the north end of campus called North Village. Finally, the University owns The Vinings, a 350-bed apartment complex located a half-mile outside the south gates of the University campus. The Vinings is used by Furman to provide overflow housing options for its rising fourth-year students, and the balance of units are made available for rent to the general public at market rates.

Student Housing Occupancy. The following table represents occupancy for the past four and current academic years:

Academic Year	Number of Students Living on Main Campus	Occupancy Rate	Number of Students Living at The Vinings	% of Students Living on Campus***
2019-20	2,276	95.47%	102	95.73%
2020-21*	1,768	74.16	126	81.50
2021-22	2,071	86.22	106	91.96
2022-23	2,115	91.72	23	96.58
2023-24**	2,132	93.10	0	96.78

* The residential requirement was modified for academic year 2020-21 as part of the University’s COVID-19 response plan. As part of the University’s COVID-19 protocols for academic year 2020-21, the University allowed students to choose remote learning as an option. Three hundred students were permitted to study remotely, thereby temporarily reducing occupancy. Additionally, to satisfy physical distancing requirements, Blackwell Hall’s double occupancy rooms were converted to single occupancy. Enrollment is planned to adjust upwards to meet capacity requirements over the coming years.

** Based upon fall 2023 occupancy only.

*** The Vinings is considered on-campus housing for resident status purposes.

On-campus versus Off-campus Residency. The following table shows the number of students living in on-campus and off-campus housing for the five most recent academic years.

Resident Status	2019-20	2020-21	2021-22	2022-23	2023-24
Live in On-campus Housing*	2,378	1,894	2,177	2,138	2,132**
Live Off-campus/Commute	136	430	75	52	71

* The Vinings is considered on-campus housing for resident status purposes.

** Based upon fall 2023 occupancy only.

Faculty

For the 2023-24 academic year, the University’s faculty numbered 278, including 253 full-time teaching faculty, ten full-time faculty librarians, and 23 part-time lecturers. Sixty-three percent of those holding faculty status were tenured, and 73% of those holding full-time faculty status were tenured. Ninety-seven percent of those holding full-time faculty status have doctoral degrees in their academic disciplines, and 100% of those holding full-time faculty status have doctoral degrees or equivalent terminal degrees in their academic disciplines. The University’s overall student-faculty ratio is 9:1. None of the faculty belongs to a union or other collective bargaining group.

Current and certain historical information regarding the faculty is set forth in the table below for the indicated academic years.

	2019-20	2020-21	2021-22	2022-23	2023-24
Full-Time Faculty	243	259	244	255	253
Part-Time Faculty	95	66	49	53	56
Total	338	325	293	308	309
% with Terminal Degree	95%	97%	95%	97%	97%
Undergraduate Student/Faculty Ratio	10 to 1	9 to 1	9 to 1	9 to 1	9 to 1

Note: The information in this table has been compiled using *U.S. News and World Report's* measurement methodology.

Staff

As of fall 2023, the University had 655 staff members (624 full-time and 31 part-time), excluding faculty. None of the employees of the University belong to a union or other collective bargaining group. The University values its relationship with its staff and recognizes its invaluable contributions to student life and development.

Enrollment and Retention Strategy

Enrollment management at Furman is a data-driven, research-dependent process that brings a discipline and coordination to the process of achieving enrollment goals for the entire University. Inherently broad with consideration to the institution's market position, reputation and brand positioning, price parity and academic value, the University's enrollment program integrates University-wide strategic planning and enrollment planning to achieve institutional goals.

Because student enrollment is the dominant source of unrestricted revenue at the University, the health and vitality of the University is ultimately tied to sustaining and increasing enrollment demand, which is inextricably linked to academic value and market position.

The University's enrollment plan, post-pandemic, is to stabilize the undergraduate enrollment with a planned headcount of 2,550-2,600. This plan calls for a freshmen class of 650-700 beginning with the entering class cohort of 2024. In tandem, the University has committed to improving retention, persistence, and graduation rates using a cross-divisional team from Academic Affairs, Student Life, and Enrollment Management to provide leadership and oversight of tactical execution and accountability for the student experience from admission to graduation. The strategic decision to focus the ecosystem of student enrollment across the life-cycle will increase market demand and elevate Furman with peer and aspirant institutions within the top-40 national liberal arts colleges sector.

A summary of the University's enrollment and retention strategy is set forth below:

1. Improve market position.

- Improve reputational factors (rankings, brand identity, philanthropy, The Furman Advantage).
- Enhance market prominence (expand student geography/footprint).
- Enhance perceived value (shift competitor set, similar liberal arts institutions, pricing, student outcomes).
- Increase student demand (applications, admit rate, yield rate, diversity, discount rate).

2. Integrate University-wide strategic planning and enrollment planning.

- Evolve admissions standards to enhance the undergraduate student academic profile.
- Optimize the strategic use of financial aid to craft the undergraduate student body and meet tuition revenue goals.
- Clarify institutional messaging (marketing and communications plan).
- Mobilize a cross-divisional team to provide strategic planning, execution and accountability of the student experience.

Applications, Acceptances and Enrollment

Applications and Admissions. In early March of 2020, the COVID-19 pandemic forced most colleges and universities to move to remote instruction and subsequently made enrollment management divisions across the country instantly pivot and develop remote yield and recruitment strategies to impact both the fall 2020 entering class and future classes. As the impact of the COVID-19 pandemic increased, the freshmen enrollment target was reduced to 625. The final freshmen enrollment number for fall 2020 was 519 students with an enrollment yield of 15%, down from the University’s typical yield rates in the 21-22% range. The fall 2021 freshmen class of 656 was a more typical class size. The University’s fall term 2023 entering class of 620 was selected from a pool of 8,406 applicants. For fall 2024, Furman has received 10,731 applications, up 29.5% year over year, through April 15, 2024. The increase in applications is attributed to increased brand recognition, continued successes of The Furman Advantage as well as the increased use of the common application. The issues and delays with the new Free Application for Federal Student Aid (“FAFSA”) application rollout has added uncertainty to the timing of deposits for new students. Admitted students are price sensitive and are delaying their deposits until they receive complete financial aid offers from schools. To mitigate risks surrounding the new FAFSA application rollout, the University was strategic in the use of the CSS Profile to assist in the financial aid process. Despite the FAFSA delays, Furman is still targeting freshman enrollment of 650 for fall 2024.

Undergraduate Applications, Acceptances and Enrollments

	<u>Fall 2019</u>	<u>Fall 2020</u>	<u>Fall 2021</u>	<u>Fall 2022</u>	<u>Fall 2023</u>
Applications	5,258	5,194	7,174	7,510	8,406
Acceptances	2,987	3,389	5,119	5,033	4,419
% of Applications Accepted	57%	65%	71%	67%	53%
Enrollments	653	519	656	647	620
% of Acceptances Enrolled	22%	15%	13%	13%	14%

Undergraduate Transfer Student Applications, Acceptances and Enrollments

	<u>Fall 2019</u>	<u>Fall 2020</u>	<u>Fall 2021</u>	<u>Fall 2022</u>	<u>Fall 2023</u>
Applications	109	59	139	214	289
Acceptances	50	47	45	69	77
% of Applications Accepted	46%	80%	32%	32%	27%
Enrollments	19	22	19	36	29
% of Acceptances Enrolled	38%	47%	42%	52%	38%

Student Quality. Although the fall 2020 freshmen class was considerably smaller, the student profile remained high with an average GPA of 3.62, reported SAT and ACT middle 50% scores of 1260-1385 (SAT); and 29-32 (ACT) and 66% of the class having ranked in the top 20% of their high school classes. The average reported SAT composite score for the fall 2023 freshman class was 1350. Approximately 61% of the 2023 entering class was in the top 20% of their high school graduating class. The University has been test-optional for admission since the entering class of 2010.

**Student Quality Indicators
for the Indicated Academic Years**

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
% of Enrolled Students in Top 20% of High School Class	66.2%	66.4%	61.1%	66.5%	61.6%
Average SAT Score*	1337	1333	1334	1380	1350
Average ACT Score*	30	30	31	30	30

*Average of reported scores. The University has been test-optional for admission since the entering class of 2010.

Geographic Origin. Enrollment at Furman has both a national and global footprint with significant market presence in the Southeast, mid-Atlantic and Northeast regions. Following the pandemic, prospective students and their families have been more likely to choose an institution closer to home. This national trend forced many universities to have a more regional strategy over the past two years. Furman continues to grow the international market and is encouraged by the demand statistics, especially following the challenges presented by the pandemic. Sixty-seven percent of the fall 2023 entering freshman class is from outside South Carolina. The tables provide data for first-time freshmen for the fall term indicated unless otherwise noted.

Enrollment by Geographic Origin

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
South Carolina	170	145	201	238	209
Georgia	62	69	95	72	74
North Carolina	88	85	84	85	77
Florida	50	26	40	34	38
Texas	24	11	24	18	14
Tennessee	44	31	20	26	26
Alabama	17	8	15	13	12
Kentucky	5	4	14	14	7
Other United States	182	128	136	123	120
International	11	12	27	24	43
Total	653	519	656	647	620

Enrollment and Degrees. The following table sets forth the University’s total enrollment in terms of headcount and total full-time equivalent enrollments for the fall terms for the academic years shown. As highlighted above, the University’s enrollment plan, post-pandemic, is to stabilize the undergraduate enrollment with a planned headcount of 2,550-2,600. Currently, total undergraduate enrollment is 2,322 students which is reflective of the intentionally smaller fall 2019 entering class and the impact of the COVID-19 pandemic on the fall 2020 entering class. Total degrees awarded for all programs for the past four academic years are also shown below.

Enrollment and Degrees					
	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24*</u>
Enrollment:					
Undergraduate	2,687	2,341	2,296	2,278	2,322
Graduate	110	162	132	128	131
Total	<u>2,797</u>	<u>2,503</u>	<u>2,428</u>	<u>2,406</u>	<u>2,453</u>
Full-Time Equivalent	2,707	2,428	2,389	2,377	2,423
Degrees:					
Undergraduate	600	622	622	608	-
Graduate	89	77	77	67	-
Total	<u>689</u>	<u>699</u>	<u>689</u>	<u>699</u>	<u>-</u>

* Based upon fall 2023 enrollment only. Degree seeking only.

Retention and Graduation Rates. The University has a historical first-year student retention rate around 90%, which is highly correlated with the consistently high six-year graduation rate of around 83%. The low first-year student retention rate for the fall 2019 entering class cohort is a result of the elimination of men’s lacrosse and baseball along with the impact of COVID-19. The following table shows the freshman to sophomore retention rate by entering fall cohort. The fall 2023 cohort retention rate will be determined at fall 2024 census.

Freshman to Sophomore Retention					
First Year Cohort:	<u>Fall 2018</u>	<u>Fall 2019</u>	<u>Fall 2020</u>	<u>Fall 2021</u>	<u>Fall 2022</u>
Retention Rate	90%	81%	91%	88%	91%

The following table shows the percentage of students who graduated within six years of initial matriculation.

Graduation Rates					
First Year Cohort:	<u>Fall 2012</u>	<u>Fall 2013</u>	<u>Fall 2014</u>	<u>Fall 2015</u>	<u>Fall 2016</u>
% Graduating in:					
Six Years	80.4%	82.5%	80.9%	81.0%	85.0%

Competing Institutions

Many of the University’s qualified applicants also apply to other private and public colleges and universities. The following table shows the fall 2023 tuition and fees charges for competing institutions:

	Full-Time Tuition and Fees	
	<u>In-State</u>	<u>Out-of-State</u>
Public Institutions		
Clemson University	\$15,554	\$39,498
College of Charleston	12,978	36,858
Georgia Institute of Technology	11,764	32,876
North Carolina State University	11,888	34,761
University of Georgia	12,182	31,222
University of North Carolina-Chapel Hill	11,781	40,730
University of South Carolina	15,304	37,550
Private Institutions		
	<u>Full-Time Tuition and Fees (In-State and Out-of-State)</u>	
Davidson College	\$60,050	
Wake Forest University	64,758	
Wofford College	54,100	

Tuition and Financial Aid

Tuition and Fees. A summary of the University’s tuition and fees, and room and board charges for the current and four prior academic years are set forth in the table below.

Undergraduate Tuition and Fees Per Student for the Indicated Academic Years

	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Tuition and Fees	\$50,844	\$52,092	\$53,372	\$55,772	\$58,312
Room and Board	13,034	13,362	14,474	15,148	15,868
Total	\$63,878	\$65,454	\$67,846	\$70,920	\$74,180

Financial Aid. The University provides financial assistance to qualified applicants. The financial aid program includes a broad range of academic and special talent scholarships, as well as a comprehensive need-based program of grants, loans, and work opportunities. Approximately 98% of matriculants receive some financial aid assistance. The tuition discount percentage is derived using the National Association of College and University Business Officers (NACUBO) definition of “Any institutionally funded scholarship or grant awarded to an undergraduate student that lowers (or discounts) the student’s tuition price.”

**Tuition Discount Statistics
for the Indicated Academic Years**

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Tuition and Fees	\$137,484,986	\$137,609,098	\$121,878,171	\$126,408,410	\$131,701,867
Scholarships	(69,894,049)	(65,636,576)	(62,575,063)	(70,167,580)	(75,950,638)
Net Tuition and Fees	67,590,937	71,972,522	59,303,108	56,240,830	55,751,229
Tuition Discount %	50.8%	47.7%	51.3%	55.5%	57.7%

The following table shows the University's student financial aid assistance programs in the form of institutional, federal, private, and state scholarships, grants, and loans for the last five academic years. (The table reflects financial aid awarded for the academic year as of the fall census date, and for that reason differs from the financial aid line in the Consolidated Statement of Activities in the University's audited financial statements included as Appendix B.)

**Financial Aid
for the Indicated Academic Years
(in Thousands of Dollars)**

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Institutional	\$68,125	\$69,191	\$60,622	\$71,786	\$79,147
Pell Grant	1,709	1,503	1,271	1,237	1,342
Federal Loans	10,948	10,696	9,332	8,469	8,559
Private Loans	3,005	3,291	3,003	2,837	3,490
Other/State	4,901	5,031	4,439	4,972	5,214
Total	<u>\$88,689</u>	<u>\$89,712</u>	<u>\$78,668</u>	<u>\$89,301</u>	<u>\$97,752</u>

FINANCIAL CONDITION OF THE UNIVERSITY

Financial Statements

The information in the following tables has been derived from the audited consolidated financial statements of the University for the periods shown. The audited consolidated financial statements of the University are presented in Appendix B – “FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022” and are an integral part hereof and should be read in their entirety.

The Consolidated Statements of Financial Position present the financial position of the University at the end of each fiscal year. The Consolidated Statements of Activities present financial activities during each fiscal year, thereby reconciling the beginning and ending net asset positions contained in the Consolidated Statements of Financial Position. The Consolidated Statements of Cash Flows summarize cash-related activities during each fiscal year, thereby reconciling the beginning and ending cash balances contained in the Consolidated Statements of Financial Position.

Consolidated Statement of Financial Position Summary as of June 30, (in Thousands of Dollars)

	2019	2020	2021	2022	2023
Total Assets	\$1,107,040	\$1,066,060	\$1,309,265	\$1,347,140	\$1,300,555
Total Liabilities	128,962	121,266	121,138	190,941	189,113
Total Net Assets	\$ 978,078	\$ 944,794	\$1,188,127	\$1,156,198	\$1,111,442

The following table summarizes the breakdown of the University’s net assets at June 30, for each of the fiscal years shown.

Net Assets as of June 30, (in Thousands of Dollars)

	2019	2020	2021	2022	2023
Unrestricted	\$366,319	\$354,515	\$ 407,383	\$ 389,466	\$ 379,912
Temporarily Restricted	391,663	363,687	542,911	509,803	465,635
Permanently Restricted	220,096	226,592	237,833	256,929	265,895
Total Net Assets	\$978,078	\$944,794	\$1,188,127	\$1,156,198	\$1,111,442

The following table summarizes the University's Consolidated Statement of Activities, without donor restrictions, as of June 30, for each of the fiscal years shown.

	2019	2020	2021	2022	2023
Operating Revenues and Support:					
Tuition and Fees, Net	\$ 67,590,937	\$ 71,972,522	\$ 59,303,108	\$ 56,240,830	\$ 55,751,229
Contributions	3,342,132	3,374,360	7,420,753	7,661,341	12,697,397
Grants and Contracts	2,513,642	2,537,555	4,581,008	8,000,268	3,827,251
Investment Return Designated for Operations					
Endowment Spending Rate	9,332,207	6,674,460	6,085,875	6,032,600	6,939,400
Other Investment Income	1,762,050	4,943,200	3,130,960	3,130,960	3,795,450
Room, Board & Other Auxiliary Services	36,226,449	27,752,397	29,048,500	33,771,131	36,216,622
Intercollegiate Athletics	4,256,850	4,510,087	1,753,616	4,126,160	4,275,707
Other	3,318,648	2,938,341	2,252,314	3,732,440	3,460,028
Satisfaction of Program Restrictions	39,938,362	39,797,345	31,991,135	39,387,309	43,714,898
Total Operating Revenues and Support	<u>168,281,277</u>	<u>164,500,267</u>	<u>145,567,269</u>	<u>162,083,039</u>	<u>170,677,982</u>
Operating Expenses:					
Total Operating Expenses	166,265,813	163,131,431	148,635,510	167,405,832	179,697,281
Change in Net Assets from Operating Activities	2,015,464	1,368,836	(3,068,241)	(5,322,793)	(9,019,299)
Nonoperating Activities:					
Investment Return Less: Amounts Designated for Current Operations	(5,129,430)	(13,886,227)	52,336,839	(16,823,805)	(3,528,360)
Contributions	4,773,822	89,203	92,105	133,425	95,083
Net Assets Released from Restrictions for Plant	611,238	733,653	834,344	3,155,951	1,392,829
Donor Designation Changes	56,845	238,958	780,296	(546,163)	(215,461)
Change in Interest Rate Exchange Agreement	(114,051)	(96,226)	61,028	-	-
Other	1,901,823	(253,508)	1,832,377	1,486,378	1,721,289
Total Non-Operating Activities	<u>2,100,247</u>	<u>(13,174,147)</u>	<u>55,936,989</u>	<u>(12,594,214)</u>	<u>(534,620)</u>
Change in Net Assets	4,115,711	(11,805,311)	52,868,748	(17,917,007)	(9,553,919)
Net Assets, Beginning of Year	<u>362,203,990</u>	<u>366,319,701</u>	<u>354,514,390</u>	<u>407,383,138</u>	<u>389,466,131</u>
Net Assets, End of Year	<u>\$ 366,319,701</u>	<u>\$ 354,514,390</u>	<u>\$ 407,383,138</u>	<u>\$ 389,466,131</u>	<u>\$ 379,912,212</u>

Management Discussion and Analysis

With recent pressure on net tuition and fee revenue, Furman has continued to receive consistent, strong philanthropy and investment returns to support operations while making strategic decisions to return to a positive operating margin. Prior to the COVID pandemic, Furman was in the process of strategically decreasing enrollment to average approximately 650 incoming first-year students plus transfers which aligned with an institutional strategy to improve selectivity and enhance academic profile. Beginning with fiscal year 2021, the senior administrative team was able to manage a \$23 million budget reduction caused by the COVID pandemic which yielded Furman's smallest incoming class of 519 students, resulted in significant losses in auxiliary revenues, and delayed students return to campus as many students elected to prolong remote learning. Fiscal year 2022 and 2023 operations remained challenged as net tuition and fee revenue declined to \$56.2 and \$55.7 million, respectively. In addition to the continued impact of the fall 2020 class, further strains to operations reflect inflation associated with capital investment as well as the overall cost associated with retaining talented faculty and staff, The Furman Advantage and other strategic initiatives.

Significant contributions from The Duke Endowment have helped offset the loss in net tuition and fee revenue since 2020. Furman is one of four higher education institutions that is included in The Duke Endowment's indenture to receive ongoing grants in perpetuity. Furman automatically receives an annual contribution from The Duke Endowment, currently realized at \$1.8 million per year. In addition to the annual contribution, as part of the indenture of The Duke Endowment, the University receives 5% of net revenues of The Duke Endowment annually. The President also can apply for additional grants for specific purposes, such as The Furman Advantage. The Duke Endowment has funded \$78.9 million toward The Furman Advantage since its inception in 2016 over multiple grants. Furman recently submitted another grant request for \$26 million that is expected to be approved in May 2024 that will be used to support unfunded scholarships over the next five years. Similar to other grants, this will be represented on Furman financials in the year received and will subsequently be spent over five years. To date, The Duke Endowment has contributed approximately \$242 million to Furman, not including the most recent grant request.

The University's approved budget for fiscal year 2024 is \$170 million, representing a \$5 million increase over fiscal year 2023. Tuition and fees are based on an assumed undergraduate enrollment of 2,286. The University budgeted a tuition and fee discount rate of 63.5% for freshman and 59.8% for all undergraduate students for fiscal year 2024. The University is currently tracking ahead of budget for tuition and fees as the University exceeded its budgeted enrollment by 42 students in fall 2023. This is in part due to the retention rate being above historical trends. The University is slightly over budget for student aid resulting in net tuition and fee revenue being approximately 1.7% under budget. This shortfall is offset by additional revenue from room and board as well as interest income. The fiscal year 2024 budget includes increased debt service of \$2.5 million from the Series 2022 Bonds. All operating budget lines are tracking on or under budget for fiscal year 2024. The University annually presents a balanced budget at the May Board of Trustees meeting that includes debt service, renewals and replacements, additions to reserves and contingency; however, depreciation expense is not included in the operating budget. From a combination of bond proceeds and fundraising totaling \$170 million for fiscal years 2022 – 2026, the University is proactively addressing aging facilities. This capital investment far exceeds the expected depreciation expense over the same time period. Investments in the physical plant are also budgeted through annual renewals and replacement funding – \$4.5 million budget for fiscal year 2024. The University is forecasting a budget surplus on a cash basis of approximately \$2 million for fiscal year 2024. Furman's fiscal year 2024 budget also includes approximately \$3 million of contingency and discretionary spending that is not currently projected to be utilized during fiscal year 2024. As the University contemplates the additional debt service associated with the Series 2024 Bonds, Furman continues to be proactive in budgeting as the University is planning \$5 million in operating budget reductions for fiscal year 2025. The University Vice

Presidents along with President Davis have spent the year analyzing and eliminating open positions, renegotiating contracts to gain efficiencies, and lowering operating budgets in areas that will not impact The Furman Advantage. Furman will also benefit in fiscal year 2025 from the smallest COVID class graduating in academic year 2023-24.

The University's financial strength reflects a robust balance sheet. The University's net assets increased over \$200 million, from June 30, 2019 to June 30, 2023, despite the COVID-19 pandemic. This growth is due primarily to the generosity of The Duke Endowment, loyal alumni, parents, and friends of the University, superior investment performance, and a prudent management of the University's internal resources. As already highlighted, this generosity is expected to continue as the next Duke Endowment grant of \$26 million is expected to be approved in May 2024. Furman's most significant assets include cash, contributions receivable, investments, and campus facilities. Endowment-related net assets include the University's equity interest in Hollingsworth Funds, Inc. Furman will receive approximately 45% of the annual distribution of the Funds made to all beneficiaries. The University changed its endowment spending policy effective August 2020. The objective of the new policy is to spend from the endowment pool no more than a 5% effective rate. Each year, the University will spend from the endowment pool an amount equal to the average market value of the 12 trailing quarters as of the previous December 31st, multiplied by a rate of between 4%-6%. The spending rate for fiscal year 2024 was 5.1%. The new methodology will continue to allow the endowment to enhance the Furman experience for current and future students by supporting scholarships, general support to the University, and other mission-oriented programs. The University also has access to a \$10 million line of credit of which there is no balance.

Furman is also unique in the flexibility it has with current assets on the balance sheet, including The Vinings, The Woodlands, and excess land holdings. The Vinings is a 350-bed apartment complex located a half-mile outside the south gates of the University campus. The University recently hired a third-party management company to take over the management of The Vinings to increase net revenue. The Woodlands at Furman is the only locally owned Life Plan Community in South Carolina to offer a Life Care contract that guarantees independent living as well as assisted living, memory care and skilled nursing. This land lease provides a long-term revenue stream to the University. The University recently completed a land master plan and is exploring the development of excess land. The Swamp Rabbit Trail is a 22-mile multi-use (walking and bicycling) greenway that traverses along the Reedy River, an old railroad corridor and City parks to connect Travelers Rest with the City of Greenville, South Carolina. According to the Greenville County study, the Swamp Rabbit Trail's has a \$6.7 million annual economic impact in Greenville County and boosts sales 85% to nearby businesses. Part of the Swamp Rabbit Trail runs through Furman's campus including some of the University's undeveloped land. Furman owns an undeveloped 35-acre track along the trail known as the Grace Property that has the potential for mixed use development to create another unique revenue stream. The University is working with a developer to explore options.

Outstanding Indebtedness

At June 30, 2023, the University had outstanding \$160,655,000 in principal amount of long-term debt and had \$77,802 in capitalized lease obligations. The long-term debt comprises the University's obligations with respect to the Authority's (i) \$61,420,000 outstanding principal amount of Series 2015 Bonds (the "Series 2015 Bonds"), (ii) \$32,825,000 outstanding principal amount of Series 2020 Bonds (the "Series 2020 Bonds") and (iii) \$66,410,000 outstanding principal amount of Series 2022 Bonds (the "Series 2022 Bonds" and together with the Series 2015 Bonds and the Series 2020 Bonds, the "Outstanding Bonds"), the proceeds of which were loaned by the Authority to the University. The University's payment obligations with respect to the Outstanding Bonds are unsecured and constitute general payment obligations of the University. See Note 10 of the audited consolidated financial statements of the University included as Appendix B for a discussion of the University's outstanding long-term debt and capitalized lease

obligations as of June 30, 2023. The Series 2020 Bonds have a stated maturity of October 1, 2039, and bear interest at a fixed rate of 1.15% until, and are subject to tender by the holder thereof and remarketing on, September 22, 2025.

Debt Service Requirements

Debt service on the Outstanding Bonds and the Series 2024 Bonds for the fiscal years indicated is shown in the table below.

Fiscal Year Ended June 30,	Outstanding Bonds	Series 2024 Bonds		Total Debt Service
		Principal	Interest ¹	
2024	\$ 8,120,349			
2025	8,124,497			
2026	8,124,409			
2027	18,614,098			
2028	8,774,790			
2029	8,770,570			
2030	8,767,945			
2031	8,772,195			
2032	8,774,090			
2033	8,774,445			
2034	8,772,895			
2035	10,324,642			
2036	8,888,908			
2037	8,885,789			
2038	8,884,789			
2039	8,885,189			
2040	13,110,079			
2041	4,202,275			
2042	4,202,025			
2043	4,198,775			
2044	4,202,275			
2045	4,197,400			
2046	4,199,025			
2047	2,656,400			
2048	2,656,400			
2049	2,656,400			
2050	2,656,400			
2051	2,656,400			
2052	69,066,400			
Total	\$270,919,856			

Note: The Series 2020 Bonds have a stated maturity of October 1, 2039, and bear interest at a fixed rate of 1.15% until, and are subject to tender by the holder thereof and remarketing on, September 22, 2025. For purposes of showing debt service on the Outstanding Bonds, the Series 2020 Bonds were assumed to bear interest to maturity at a per annum rate equal to 1.15% and be amortized as to principal based on the current scheduled principal retirement requirements.

*Totals may not add due to rounding.

Future Capital Plans and Debt Issuances

In addition to the Project, the University will continue to address long-term maintenance needs through the use of repair and renewal funds which are part of the annual operating budget of the University. In addition, Furman is considering, as part of its long-term planning efforts, several capital projects to modernize facilities to match the needs of today's faculty, staff, and students. These projects would be undertaken no sooner than five to ten years from today but early planning is underway. The projects under consideration include renovations to the student recreation and fitness facility (Physical Activities Center) and to the Daniel Music Building. Detailed estimates for these projects have not been developed since they are largely conceptual in nature but the likely cost range for these projects is in the \$40 to \$60 million dollar range. These projects have not been presented to or approved by the Board. The University may also consider additional projects as operational needs evolve.

Endowment

Endowment Background & Hollingsworth Interest. The University's endowment consists of more than a thousand separate funds established over many years for scholarships, professorships, academic programs, and general institutional support. Endowment-related net assets include donor-restricted endowments, board-designated endowments, the University's equity interest in Hollingsworth Funds, Inc., and interests in perpetual trusts held by others. Gift annuities and pledges are not considered components of the endowment. All of the University's endowment net assets without donor restrictions are board-designated endowments. The total endowment market value as of June 30, 2023 was \$787 million. Of that amount, assets without donor restrictions totaled \$128 million.

In December 2000, the equity interest of John D. Hollingsworth On Wheels, Inc. and substantial real estate holdings passed to an Internal Revenue Service ("IRS") qualified supporting organization, Hollingsworth Funds, Inc. (the "Funds") upon the death of John D. Hollingsworth, the company's founder and sole stockholder. According to Mr. Hollingsworth's last will and testament, Furman will receive approximately 45% of the annual distribution of the Funds made to all beneficiaries. During the year ended June 30, 2004, the estate of Mr. Hollingsworth cleared probate court and, accordingly, the University recognized its equity interest in his estate of \$115 million. The current market value is specified in the schedule below, "Summary of Investments." The University and the Funds are financially inter-related organizations for financial reporting purposes and as a result, the University accounts for this interest under the equity method of accounting and recognizes its share of changes in net assets of the Funds.

Endowment Investment & Spending Policies. The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The University expects its endowment funds, over the majority of rolling five-year periods, to provide an average annual real rate of return of approximately 5%. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation with investments in equity, fixed income, hedged, private capital, and natural resource/real asset strategies to achieve its long-term, risk-adjusted return objectives.

The Board designates only a portion of the University's cumulative investment return for support of current operations; the remainder is retained to support operations of future years and to offset potential market declines. Specific appropriation for expenditure of the University's endowment funds occurs each spring when the Board approves the University's operating budget for the ensuing year. For the year ended June 30, 2020, the University's endowment spending rate was based on 4.5% of the "spending base"

established as of June 30, 2000. The base amount was increased at a rate of 4% annually, plus the nominal value of endowment gifts received through December 31 of the previous year. The University changed its spending policy effective August 2020. The objective is to spend from the endowment pool no more than a 5% effective rate. Each year, the University will spend from the endowment pool an amount equal to the average market value of the 12 trailing quarters as of the previous December 31st, multiplied by a rate of between 4% - 6%. The specific spending rate will be set each year through the University's annual budget process. The effective rate is defined as the current fiscal year's spending from the endowment pool divided by the previous fiscal year end's market value of the endowment pool.

The University considered the expected return on its endowment when it established these policies. Accordingly, the University expects the current spending policy to allow its endowment to maintain its purchasing power by growing at a rate equal to or greater than planned payouts. Additional real growth will be provided through new gifts and any excess investment return.

Endowment Management, Objectives, and Philosophy. The University Investment Office is charged with managing asset allocation, implementing specific investment strategies, and selecting and subsequently monitoring external money managers. The office collaborates with the Board's Investment Committee, senior finance staff, and external consultants to: a) preserve and enhance the inflation-adjusted purchasing power of the endowment, and b) support the current and future operations of Furman.

The University has adopted an investment strategy that emphasizes strong, risk-adjusted returns over full market cycles, so that the distributions are made regardless of the market environment. To achieve this goal, investments are diversified across a broad variety of asset classes, a strategy that, historically, has been shown to mitigate risk while enhancing portfolio performance. The Investment Office and external partners are focused on the responsible stewardship and investment of philanthropic gifts. The endowment's purchasing power is supported by rigorous selection, monitoring and review of investments, which aims to ensure that each gift invested in the endowment may continue to benefit the University for years to come.

See Notes 5, 6 and 7 to the audited consolidated financial statements of the University included as Appendix B for information related to the University's investments generally, the University's interest in the Hollingsworth Funds, and the University's endowment, respectively.

**Summary of Investments ¹
at June 30,**

	2019	2020	2021	2022	2023
Cash & Equivalents	\$ 30,666,254	\$ 26,478,239	\$ 36,046,397	\$ 27,200,802	\$ 11,340,734
Investments	597,109,419	565,422,507	748,382,794	707,590,579	714,725,773
Equity Interest in The Hollingsworth Funds, Inc. ¹	157,132,900	169,326,291	175,051,929	186,055,200	168,147,788
Total Cash & Investments	\$784,908,573	\$761,227,037	\$959,481,120	\$920,846,581	\$894,214,295

¹ See Notes 5 and 6 to the audited consolidated financial statements of the University included as Appendix B.

The University endowment pool’s actual and target investment allocation is presented below, along with the University’s allowable allocation ranges.

**Target Investment Allocation
as of December 31, 2023**

	Actual %	Policy Target %	Range %
U.S. Equity	18.7%	20.0%	15-25
Non-U.S. Developed Equity	15.0	13.0	8-18
Emerging Markets Equity	6.0	5.0	0-10
Venture Capital/PE	21.9	25.0	15-35
Hedged Strategies	18.0	12.0	7-17
Real Assets/Natural Resources	9.5	12.0	7-17
Fixed Income	6.5	7.0	2-12
Private Credit	1.5	4.0	0-10
Cash	2.9	2.0	0-10

Over the one-year, five-year, and ten-year periods ended December 31, 2023, Furman’s endowment pool annualized returns were 8.3%, 8.5%, and 6.4%, respectively.

Endowment Liquidity & Unfunded Commitments. The liquidity schedule of the endowment pool (the portion over which Furman has full discretion) of the total endowment as of December 31, 2023 is as follows: 15.7% daily, 24.7% semi-monthly/monthly, 29.6% quarterly/semi-annual/annual and 30.0% illiquid.

The unfunded commitments of private capital investments totaled \$65.5 Million, or 9.6% of the investments held by the University as of December 31, 2023.

Contributions

Current Comprehensive Campaign. The “Clearly Furman Campaign,” the largest fundraising campaign in the University’s history, was publicly launched in April 2023 with three primary goals: (i) raise at least \$426 million, (ii) secure commitments from 22,500 donors, and (iii) engage 65% of Furman alumni. To date, the campaign has secured total commitments of \$393 million from 22,400 donors with engagement from 60% of alumni. With a scheduled completion date of June 30, 2026, to correspond with the University’s bicentennial celebration year, campaign progress is well ahead of schedule and the University anticipates raising the dollar goal and donor goal for the final year of the campaign. This would be the second increase in the fundraising goal since the planning and launch of the campaign.

Key Funding Objectives. While every gift made to Furman during the time of the campaign will count toward the final total including vital annual spendable gifts, the campaign is focused predominately on endowment gifts supporting these key funding objectives:

- Inspire Minds Where They Meet – support for the heart of Furman, its students and faculty, through scholarships, endowed chairs and professorships, academic program support and faculty development.
- Power Our Defining Difference – delivering on the promise of The Furman Advantage to ensure every Furman student benefits from study away, undergraduate research, career preparation and internship experiences, and an integrated Pathways program.

- Wellness, Belonging and Community – fostering belonging and mental and physical wellness for students and the entire Furman community in an environment that reflects the University’s values of diversity and belongingness.
- Innovation and Impact – gifts to strengthen and enhance the work of Furman’s four Institutes: the Hill Institute for Innovation and Entrepreneurship, the Riley Institute, the Shi Institute for Sustainable Communities, and the Institute for the Advancement of Community Health.
- Inspiring Greatness through Athletics – support for a renovation and expansion of Timmons Arena, home of Furman basketball and a significant community event venue, and operational endowments supporting specific sports and teams.

See Note 4 to the audited consolidated financial statements of the University included as Appendix B regarding contributions receivable.

Nationally, donor giving over the last decade has significantly shifted away from unrestricted giving to restricted giving. During this time period, restricted giving has increased more than 70% whereas unrestricted giving has essentially remained flat. In response, the University has changed its fundraising philosophy in the last few years to encourage donors to make their best gift for what they are most passionate about at Furman. As a result, overall giving to Furman has continued to grow. Commitments to the University in the current fiscal year to date total \$63 million.

**Summary of Fundraising
at June 30,
(in Millions of Dollars)**

	2018-19	2019-20	2020-21	2021-22	2022-23
Annual unrestricted	\$ 4.8	\$ 4.5	\$ 4.1	\$ 3.7	\$ 3.8
Endowment	14.1	11.4	7.4	24.8	13.3
Capital, other restricted funds	3.7	15.2	52.3	15.0	24.5
Total Commitments	\$22.6	\$31.1	\$63.8	\$43.5	\$41.6

Insurance

The University maintains insurance in amounts and against risks as are customarily carried by like private universities, including property damage, fire and extended coverage, public liability, general and sexual misconduct liability, catastrophic business interruption insurance, trustee and officer coverage, employee benefits liability, employee dishonesty/crime extortion, network security and privacy liability, and wrongful employment practices.

Litigation

As is true of other similar institutions, the University is subject to a variety of suits and proceedings arising in the ordinary course of business. Although certain matters of litigation are disclosed in greater particularity in the following two paragraphs, the University is of the belief that no litigation, either individually or in the aggregate, currently pending or to the knowledge of the University currently

threatened against it, is likely to materially adversely affect the ability of the University to pay amounts owing on the Series 2024 Bonds when due.

Furman was identified by the United States Environmental Protection Agency (the “EPA”) as a potentially responsible party (“PRP”) for the release of hazardous substances at the Ward Transformer Superfund Site in Raleigh, North Carolina (“Ward Site”) along with over 100 other PRPs. Furman settled its liability with the EPA and other PRPs in 2016 by entering a consent decree with the EPA, paying \$212,346 to first set of PRPs, who removed PCB soils and sediments, \$2,654 for costs of the final remedy for Ward facility property and adjacent properties and nearby drainage pathways and entering a OUI PRP Agreement with the Ward Site PRP Group and paying \$66,000 to a trust (the “OU1 Trust”) for future cleanup of water bodies associated with the Ward Site (“Operable Unit 1” or “OU1”). Cleanup of the Ward Site is entering the final stage of the remedy, cleanup of the OU1, the last the EPA identified operable unit. Active remediation (excavation of soils and sediments containing trace amounts of PCBs) began in 2021 and was completed in 2023, and the site is expected to enter the final phase of monitored natural recovery (MNR) in 2024 unless the EPA finds more cleanup is necessary after it completes its review of the recently submitted Remedial Action Report. MNR will include periodic monitoring of restored portions of the streams and overall PCB concentrations in fish tissue. Five-year reviews will be conducted by the EPA until it determines the site can be closed. Costs to perform the remedy, including the MNR phase, were estimated in 2008 by the EPA to be \$6,446,000, discounted to net present value to \$4,490,000. As of October 31, 2023 (the date of the last available Trustee Report), the OU1 Trust held \$3,291,695.68 for finalization of the OU1 remedy. Therefore, at this time costs are not expected to exceed the amount presently held in trust. If the ultimate cost of the remediation for the OU1 exceeds the amount held in the OU1 Trust, or a determination by the EPA or a change in law that requires remediation beyond what is required under the consent decree, the University may have to contribute additional amounts. The University does not believe that any such additional contribution would be material.

Keenan Adams et al v. National Collegiate Athletic Association, and Furman University. The University is party to an action styled *Keenan Adams, individually and on behalf of others similarly situated, v. National Collegiate Athletic Association, and Furman University*, filed in the United States District Court for the Southern District of Indiana. In this matter, which has been transferred to the United States District Court for the Northern District of Illinois (the “Court”) as part of a multi-district litigation, the plaintiff, on behalf of himself and a putative class of all individuals who played football at Furman between 1952 and 2010 (the “Class”), is alleging that he and the Class suffered concussions and brain-related injuries as a result of the defendants’ breaches of duty, negligence, breaches of contract, and fraudulent concealment relating to concussive and sub-concussive injuries suffered while playing football, and is asking the Court to award, among other relief, actual and compensatory damages in unspecified amounts. This action is one of hundreds of similar actions filed against the NCAA and other colleges, universities, and athletic conferences nationally. The Court has designated four bellwether cases to proceed through class certification. Some defendants in the bellwether cases have already been dismissed, but all four cases have proceeded to discovery against one or more defendants, and discovery is currently ongoing. Plaintiffs have sought to amend their allegations to pursue a different type of class certification than was originally pled, and that issue remains under consideration by the Court as to the bellwether cases. The matter pending against Furman (like all other non-bellwether cases) is presently stayed pending further action by the Court and the stay is expected to continue for at least several more months, and no trial date has been set. Due to the preliminary stage of this matter, no discovery having been undertaken, and the additional procedural issues that will need to be addressed by the Court before a determination may be reached, the University is not in a position to assess the potential liability, if any, to which the University may be subject. The University believes that it has defenses to the plaintiff’s assertions (including defenses that have already proved successful in the bellwether cases) and intends to vigorously contest this matter. The University does not believe that any recovery, by the plaintiff or the Class, in this action will materially adversely affect the University’s financial condition or prospects for operations. However, no assurance

can be given that the University will be successful in this action or that any recovery against it won't be material in amount.

**FINANCIAL STATEMENTS FOR THE YEARS
ENDED JUNE 30, 2022 AND JUNE 30, 2023**

The University's financial statements have been audited by independent certified public accountants for each fiscal year through June 30, 2023. Copies of these financial statements containing the unqualified reports of the independent certified public accountants are available from the Office of the Vice President for Finance and Administration, 3300 Poinsett Highway, Greenville, SC 29613. The University has not requested nor obtained the consent of its auditor to the inclusion of these financial statements in this Official Statement.

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FURMAN UNIVERSITY
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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**FURMAN UNIVERSITY
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Furman University
Greenville, South Carolina

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Furman University (the University), which comprise the consolidated statements of financial position as of June 30, 2023, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the University as of June 30, 2023, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

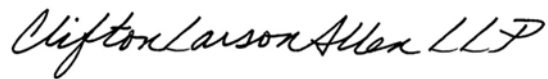
Other Matter

The 2022 consolidated financial statements of Furman University were audited by other auditors whose report dated October 24, 2022, expressed an unmodified opinion on those statements.

Board of Trustees
Furman University

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2023, on our consideration of Furman University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Charlotte, North Carolina
October 26, 2023

FURMAN UNIVERSITY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 11,340,734	\$ 27,200,802
Accounts Receivable, Net	4,321,177	4,718,253
Prepaid Expenses and Other Assets	5,271,204	5,692,181
Contributions Receivable, Net	54,604,859	70,936,998
Funds Held in Trust for Bond Issued	60,308,324	72,729,194
Investments	714,725,773	707,590,579
Equity Interest in Hollingsworth Funds, Inc. and Subsidiaries	168,147,788	186,055,200
Lease Receivable	18,254,141	16,825,745
Property and Equipment, Net	263,580,863	255,390,691
Total Assets	\$1,300,554,863	\$1,347,139,643
LIABILITIES AND NET ASSETS		
LIABILITIES		
Payables and Accrued Liabilities	\$ 7,318,524	\$ 6,521,074
Accrued Compensation and Withholdings	5,130,759	5,009,163
Deferred Revenue	4,823,082	5,179,449
Actuarial Liability for Annuities Payable	1,047,380	1,060,729
Bonds and Lease Obligations, Net	170,793,131	173,171,032
Total Liabilities	189,112,876	190,941,447
NET ASSETS		
Without Donor Restrictions	379,912,212	389,466,131
With Donor Restrictions	731,529,775	766,732,065
Total Net Assets	1,111,441,987	1,156,198,196
Total Liabilities and Net Assets	\$1,300,554,863	\$1,347,139,643

See accompanying Notes to Consolidated Financial Statements.

FURMAN UNIVERSITY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED TOTALS FOR 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
OPERATING REVENUES AND SUPPORT				
Tuition and Fees, Net	\$ 55,751,229	\$ -	\$ 55,751,229	\$ 56,240,830
Contributions	12,697,397	(1,552,149)	11,145,248	10,198,947
Grants and Contracts	3,827,251	1,254,187	5,081,438	9,417,226
Investment Return Designated for Operations				
Endowment Spending Rate	6,939,400	30,370,481	37,309,881	32,510,309
Other Investment Income	3,795,450	-	3,795,450	3,130,960
Room, Board, and Other				
Auxiliary Services	36,216,622	-	36,216,622	33,771,131
Intercollegiate Athletics	4,275,707	-	4,275,707	4,126,160
Other	3,460,028	4,192	3,464,220	3,789,015
Satisfaction of Program Restrictions	43,714,898	(43,714,898)	-	-
Total Operating Revenues and Support	170,677,982	(13,638,187)	157,039,795	153,184,578
OPERATING EXPENSES				
Instruction	65,139,873	-	65,139,873	59,575,828
Research	2,267,629	-	2,267,629	2,649,830
Public Service	116,071	-	116,071	499,333
Academic Support	22,775,773	-	22,775,773	22,512,893
Student Services	35,579,853	-	35,579,853	31,063,670
Room, Board, and Other				
Auxiliary Services	26,187,824	-	26,187,824	23,981,518
Institutional Support	27,630,258	-	27,630,258	27,122,760
Total Operating Expenses	179,697,281	-	179,697,281	167,405,832
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	(9,019,299)	(13,638,187)	(22,657,486)	(14,221,254)
NONOPERATING ACTIVITIES				
Investment Return Less: Amounts Designated for Current Operations	(3,528,360)	(32,537,722)	(36,066,082)	(44,003,223)
Contributions	95,083	11,874,032	11,969,115	25,444,595
Net Assets Released from Restrictions for Plant	1,392,829	(1,392,829)	-	-
Donor Designation Changes	(215,461)	215,461	-	-
Other	1,721,289	276,955	1,998,244	851,458
Total Nonoperating Activities	(534,620)	(21,564,103)	(22,098,723)	(17,707,170)
CHANGE IN NET ASSETS	(9,553,919)	(35,202,290)	(44,756,209)	(31,928,424)
Net Assets - Beginning of Year	389,466,131	766,732,065	1,156,198,196	1,188,126,620
NET ASSETS - END OF YEAR	<u>\$ 379,912,212</u>	<u>\$ 731,529,775</u>	<u>\$ 1,111,441,987</u>	<u>\$ 1,156,198,196</u>

See accompanying Notes to Consolidated Financial Statements.

FURMAN UNIVERSITY
CONSOLIDATED STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES AND SUPPORT			
Tuition and Fees, Net	\$ 56,240,830	\$ -	\$ 56,240,830
Contributions	7,661,341	2,537,606	10,198,947
Grants and Contracts	8,000,268	1,416,958	9,417,226
Investment Return Designated for Operations:			
Endowment Spending Rate	6,032,600	26,477,709	32,510,309
Other Investment Income	3,130,960	-	3,130,960
Room, Board, and Other Auxiliary Services	33,771,131	-	33,771,131
Intercollegiate Athletics	4,126,160	-	4,126,160
Other	3,732,440	56,575	3,789,015
Satisfaction of Program Restrictions	39,387,309	(39,387,309)	-
Total Operating Revenues and Support	162,083,039	(8,898,461)	153,184,578
OPERATING EXPENSES			
Instruction	59,575,828	-	59,575,828
Research	2,649,830	-	2,649,830
Public Service	499,333	-	499,333
Academic Support	22,512,893	-	22,512,893
Student Services	31,063,670	-	31,063,670
Room, Board, and Other Auxiliary Services	23,981,518	-	23,981,518
Institutional Support	27,122,760	-	27,122,760
Total Operating Expenses	167,405,832	-	167,405,832
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	(5,322,793)	(8,898,461)	(14,221,254)
NONOPERATING ACTIVITIES			
Investment Return Less: Amounts Designated for Current Operations	(16,823,805)	(27,179,418)	(44,003,223)
Contributions	133,425	25,311,170	25,444,595
Net Assets Released from Restrictions for Plant	3,155,951	(3,155,951)	-
Donor Designation Changes	(546,163)	546,163	-
Other	1,486,378	(634,920)	851,458
Total Nonoperating Activities	(12,594,214)	(5,112,956)	(17,707,170)
CHANGE IN NET ASSETS	(17,917,007)	(14,011,417)	(31,928,424)
Net Assets - Beginning of Year	407,383,138	780,743,482	1,188,126,620
NET ASSETS - END OF YEAR	\$ 389,466,131	\$ 766,732,065	\$1,156,198,196

See accompanying Notes to Consolidated Financial Statements.

FURMAN UNIVERSITY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (44,756,209)	\$ (31,928,424)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	15,127,925	15,132,175
Amortization of Bond Premium and Bond Issuance Costs	(482,609)	(321,731)
Gain on Disposal of Property and Equipment	(17,067)	(9,316)
Net Realized Gain on Sale of Investments	(4,652,770)	(35,273,585)
Net Unrealized Loss on Sale of Investments	13,732,349	46,293,304
Contributions Restricted for Long-Term Investment	(15,151,904)	(11,229,758)
Change in Value of Obligations Under Split-Interest Agreements	165,758	17,705
Proceeds from Sale of Donated Securities	637,896	1,035,062
Change in Allowance for Accounts Receivable and Contributions Receivable	(563,424)	938,679
Change in Assets and Liabilities:		
Accounts Receivable	397,076	(1,136,415)
Prepaid Expense and Other Assets	420,361	(1,631,994)
Contributions Receivable	16,332,139	(5,240,762)
Lease Receivable	(1,428,396)	(1,436,588)
Payables and Accrued Liabilities	(794,754)	214,566
Accrued Compensation and Withholdings	121,596	(2,920,380)
Deferred Revenue	(356,367)	(838,394)
Net Cash Used by Operating Activities	(21,268,400)	(28,335,856)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(21,187,010)	(10,457,150)
Purchases of Investments	(190,354,302)	(144,970,868)
Proceeds from Sales and Maturities of Investments	203,260,024	89,335,491
Proceeds from Disposals of Property and Equipment	40,855	56,625
Repayment of Student Loans	1,369	-
Net Cash Used by Investing Activities	(8,239,064)	(66,035,902)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted for Long-Term Investment	15,151,904	11,229,758
Principal Payments on Bonds and Lease Obligations	(1,895,292)	(1,841,180)
Payments on Call Premium, Interest on Called Bonds, and Issuance Costs	-	(588,703)
Payments on Split-Interest Agreements	(179,107)	(191,920)
Proceeds from Borrowings	-	76,277,862
Proceeds from Sale of Donated Securities for Long-Term Investment	569,891	640,346
Net Cash Provided by Financing Activities	13,647,396	85,526,163
NET CHANGE IN CASH AND CASH EQUIVALENTS	(15,860,068)	(8,845,595)
Cash and Cash Equivalents - Beginning of Year	27,200,802	36,046,397
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 11,340,734	\$ 27,200,802
NONCASH INVESTING AND FINANCING ACTIVITIES		
Payables for Property and Equipment Acquisitions	\$ 1,592,204	\$ -

See accompanying Notes to Consolidated Financial Statements.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 ORGANIZATION

Furman University (the University), founded in 1826, is a private, coeducational, nonprofit institution of higher education located in Greenville, South Carolina. The University's primary emphasis is on providing a liberal arts education at the undergraduate level. The University also offers graduate and continuing education programs. The president and board of trustees, a self-perpetuating governing board with 36 members drawn from private, public, and community interests, have oversight responsibility for all of the University's financial affairs.

The accompanying financial statements are the consolidated statements of the University and the Furman University Foundation (the Foundation). All material intercompany balances and transactions have been eliminated.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis for Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Based on the existence or absence of donor-imposed restrictions, the University classifies resources into two categories: without donor restrictions and with donor restrictions.

Without Donor Restrictions – Net assets without donor restrictions are free of donor-imposed restrictions. All revenues, gains, and losses that are not restricted by donors are included in this classification. All expenditures are reported in the without donor restriction class of net assets, including expenditures funded by restricted contributions. Expenditures funded by restricted contributions are reported in the without donor restriction net asset class because the use of restricted contributions in accordance with the donors' stipulations results in the release of such restrictions.

With Donor Restrictions – Net assets with donor restrictions are limited as to use by donor-imposed stipulations that expire with the passage of time or that may be satisfied by action of the University. Net assets with donor restrictions are designated by donors for specific purposes and include unconditional contributions receivable, split-interest agreements, interests in trusts held by others, and accumulated appreciation on donor-restricted endowments which have not been appropriated by the Board of Trustees for distribution. Some net assets with donor restrictions are required by donors to be held in perpetuity. The donors of substantially all net assets held in perpetuity permit the University to use a portion of the income earned on the related investments for specified purposes.

Expirations of restrictions on net assets as the result of the passage of time, annual board of trustees' approval of the endowment spending rate, and/or fulfilling donor-imposed stipulations, are reported as net assets released from restrictions from plant between the applicable classes of net assets in the consolidated statements of activities.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents, reported at fair value, are liquid assets with minimal interest rate risk and maturities of three months or less when purchased. Such assets primarily consist of depository account balances and money market funds.

Concentration of Credit Risk

The University places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all depository accounts. The University from time to time may have amounts on deposit in excess of the insured limits.

Funds Held in Trust for Bond Issued

Funds held in trust for bond issued, reported at fair value, are liquid assets with minimal interest rate risk. This asset consists of corporate bonds and treasury securities, and the balance is held by an outside trustee restricted by the bond issue for capital construction and interest due on bonds during construction.

Investments

Investment, funds held in trust, and beneficial interests in trusts primarily include investments in traditional equity and fixed income funds, hedge funds, and private equity funds. These investments are generally shares or units of trusts, partnerships, or other types of commingled vehicles and are reported at fair value in accordance with the University's valuation policies and procedures and U.S. GAAP.

Investments in securities include equity securities, fixed income instruments, registered mutual funds, and exchange-traded funds. Fair value for these investments is measured based on quoted prices in active markets, if available. If the market is inactive, fair value is determined by underlying managers after considering various sources of information and is reviewed by the University.

In accordance with U.S. GAAP, the University has estimated the fair value of its investments in investment funds on the basis of the net asset value (NAV) per share of the investment (or its equivalent), as a practical expedient. Of the amounts reported at NAV, approximately 45% of those investments as of June 30, 2023, are currently redeemable at NAV in 90 days or less under the current terms of the partnership agreements and/or subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the inherent uncertainty of fair value, such estimates of fair value may differ from values that would have been applied had a readily available market existed and those differences could be material. Although a secondary market exists for these investments, the market is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported NAV. Therefore, it is reasonably possible that if the University were to sell these investments in the secondary market, a buyer may require a discount to the reported NAV, which could be significant.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

The University's investments in investment funds are subject to the terms of the respective funds' agreements, private placement memoranda, and other governing agreements of such funds. These terms are typical for hedge funds and private equity arrangements. Additionally, such funds in which the University invests may restrict both the transferability of the University's interest and the University's ability to withdraw. In light of such restrictions imposed, an investment in these funds can be viewed as illiquid and subject to liquidity risks during periods of heightened volatility or market disruptions.

Investments are exposed to several risks including, but not limited to, market, credit, liquidity, currency, counterparty, interest rate, geopolitical, and other difficult to predict macro risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the University's consolidated financial statements.

Fair Value Measurements

The University follows the Financial Accounting Standards Board (FASB) guidance on Fair Value Measurements which defines fair value and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability at the measurement date. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are prices and valuations that are both significant to the fair value measurement and unobservable.

Fair Value Measurements of Financial Instruments

The carrying amounts of accounts receivable, prepaid expenses and other assets, payables and accrued liabilities, accrued compensation and withholdings, and deferred revenue approximate fair value because of the short maturity of these financial instruments. Management has estimated the net realizable value of student loans and other notes receivable by evaluating collection history and has concluded the carrying amount approximates fair value. Management has estimated the net realizable value of contributions receivable based on the net present value of anticipated future cash flows reduced by an allowance for uncollectible contributions and has concluded the carrying amounts approximate fair value. Management has estimated the net realizable value of actuarial liability of annuities payable based on the actuarial lifespan of the youngest intermediate beneficiary, discounted by the beneficiary income rate provided by the trust agreement and has concluded the carrying amounts approximate fair value. The fair value of investments is estimated as noted above and in Note 11. The carrying amount of bonds with variable rates approximate the fair value because the variable rates reflect current market rates for bonds with similar maturities and credit qualities. The fair value of bonds with fixed interest rates is based on rates assumed to be currently available for bond issues with similar terms and average maturities.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are recorded at cost at the date of acquisition or fair value at the date of donation. The University capitalizes assets that are greater than \$5,000 and have a useful life of at least three years. Repairs and maintenance costs are charged to operating expenses. Depreciation is calculated on the straight-line method over the assets' estimated useful lives ranging from 3 to 75 years. Depreciation is not calculated on land, art collections, or construction in progress.

Conditional asset retirement obligations related to legal requirements to perform certain future activities associated with the retirement, disposal, or abandonment of capital assets are accrued to estimate the net present value for applicable future costs, e.g., asbestos abatement or removal.

Costs of Borrowing

Interest costs incurred on borrowed funds during the construction of capital assets, net of investment income on proceeds of borrowings that are held by a trustee, are capitalized as a component of the cost of acquiring the assets. Bond premiums and issuance costs are amortized over the term of the bonds.

Revenue Recognition

The University's revenue recognition policies are as follows:

Tuition, fees, room, and board - Student tuition and fees are recorded as revenue in the fiscal year that the related educational services are rendered. Financial aid provided by the University is reflected as a reduction of tuition and fees and was \$75,951,638 and \$70,167,580 at June 30, 2023 and 2022, respectively. Student tuition and fees received in advance of services to be rendered are recorded as deferred revenue. Deferred revenue of \$591,432 and \$676,387 as of June 30, 2023 and 2022, respectively, represents performance obligations associated with payments received for enrollment deposits and prepayments for the fall semester, and rental housing deposits. In addition, students who officially withdraw from all courses during the semester will receive a partial refund in accordance with the University's refund policy. Historically, refunds of tuition have been approximately 0.25% of the total amount billed. Refunds issued reduce the amount of revenue recognized.

Grants and contracts - The University receives grant funding from various governmental and corporate sources. The funding may represent a reciprocal transaction in exchange for an equivalent benefit in return, or it may be a nonreciprocal transaction in which the resources provided are for the benefit of the University, the funding organization's mission, or the public at large.

Revenues from exchange transactions are recognized as performance obligations are satisfied, which in some cases are as related costs are incurred.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Revenues from nonexchange transactions (contributions) may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). Revenues from conditional nonexchange transactions are recognized when the barrier is satisfied. In addition, the University has elected the simultaneous release option for conditional contributions that are also subject to purpose restrictions. Under this option, net assets without donor restrictions will include the donor- restricted contributions for which the purpose restrictions are met in the same reporting period as the revenue is recognized.

Auxiliary services - Auxiliary services furnish services to students, faculty, and staff and include residence halls, an apartment complex, golf course, multi-purpose arena, conference center, food service, and bookstore and are recorded as revenue in the fiscal year that the related services are rendered or at the time the event or sale occurs.

Lease receivable - The Foundation, as lessor, has a ground lease with Upstate Senior Living, Inc. (USL), a South Carolina nonprofit corporation. USL constructed a continuing care retirement community on the property. USL is responsible for all operating expenses, maintenance, repairs and capital improvements of the continuing care retirement community. The lease revenue is recognized on the straight-line basis over the term of the lease.

Student Deposits and Deferred Revenue

Student deposits and deferred revenue represent payments received prior to the academic term and are included in deferred revenue on the consolidated statements for financial position. The following table depicts activity and balances for deposits and deferred revenue related to tuition and fees, student housing, and enrollment deposits.

	<u>Tuition and Fees</u>	<u>Student Housing</u>	<u>Enrollment Deposits</u>	<u>Total</u>
BALANCE - JUNE 30, 2021	\$ 141,991	\$ 53,482	\$ 340,900	\$ 536,373
Revenue Recognized, Deposits Applied/Forfeited	(141,991)	(53,482)	(340,900)	(536,373)
Payments Received for Future Performance Obligations	<u>313,837</u>	<u>-</u>	<u>362,550</u>	<u>676,387</u>
BALANCE - JUNE 30, 2022	313,837	-	362,550	676,387
Revenue Recognized, Deposits Applied/Forfeited	(313,837)	-	(362,550)	(676,387)
Payments Received for Future Performance Obligations	<u>269,082</u>	<u>-</u>	<u>322,350</u>	<u>591,432</u>
BALANCE - JUNE 30, 2023	<u>\$ 269,082</u>	<u>\$ -</u>	<u>\$ 322,350</u>	<u>\$ 591,432</u>

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Student Deposits and Deferred Revenue (Continued)

The balance of deferred revenue at June 30, 2023, less any refunds will be recognized as services are rendered. The University applies the practical expedient in Accounting Standards Codification (ASC) paragraph 606-10- 50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less. The University anticipates that students enrolled for the fall semester will continue their educational experience in the spring semester, and that students who receive their baccalaureate degree in either December or May will be replaced by an equivalent number of new enrollees.

Contributions

Contributions, including contributions receivable, are recognized as revenue in the period received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return or release – are not recognized until donor stipulations are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value.

Unconditional promises to give, with payments due to the University in future years, are recorded as net assets with donor restrictions at the estimated present value of estimated future cash flows, using a credit risk adjusted discount rate of return appropriate for the expected term of the promise to give. Amortization of the discounts is recorded as contribution revenue in the appropriate net asset class. An allowance for uncollectible contributions receivable is provided based upon management's judgment of such factors as prior collection history, type of contribution and other relevant factors.

Coronavirus Aid, Relief, and Economic Security Act

On March 27, 2020, the U.S. Congress passed and Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided economic assistance for certain businesses and individuals.

Revenues from government grants include \$1,325,086 and \$5,181,675 for the years ended June 30, 2023 and 2022, respectively, of Higher Education Emergency Relief Fund (HEERF) funds received by the University for emergency aid for students and to cover lost revenue and institutional expenses due to the COVID-19 pandemic.

Operating Results

Operating results (change in net assets from operating activities) in the consolidated statements of activities exclude nonoperating activities related to earnings on endowment in excess of the endowment spending rate, changes in fair value of interest rate exchange agreement, contributions supporting major capital purchases, contributions to the endowment, and certain other nonrecurring items.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Results (Continued)

Endowment distributions reported as operating revenue consist of endowment returns (regardless of when such income or returns were earned) distributed to support current operational needs. The University's board of trustees approves the determination of amounts to be distributed from the endowment pool on an annual basis. Objectives of the endowment distribution methodology include reducing the impact of capital market fluctuations on current operations.

Costs related to the operation and maintenance of physical plant, including depreciation of plant assets, are allocated to operating programs and supporting activities based on facility usage. Additionally, interest expense is allocated to the activities that have benefited most directly from the debt proceeds.

Income Taxes

The University is exempt from federal and state income taxation under Section 501(c)(3) of the Internal Revenue Code. However, certain income unrelated to its exempt function is subject to income taxation.

The University's policy is to record a liability for any tax position taken that is beneficial to the University, including any related interest and penalties, when it is more likely than not the position taken by management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2023 and 2022, and, accordingly, no liability has been accrued.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates inherent in the preparation of the consolidated financial statements include estimates of the allowance for uncollectible accounts, estimates of fair value on nonpublicly-traded securities, equity interest in Hollingsworth Funds, Inc. and Subsidiaries, useful lives of depreciable assets, cash flows for contributions receivable and annuities payable, and actuarial assumptions used, and accruals for asset retirement obligation, interest rate exchange agreements, and self-insurance liabilities.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 3 ACCOUNTS RECEIVABLE, NET

Student accounts receivable is reported at the estimated net realizable amount and are written off after one year. Grants receivable is due primarily from federal and state agencies and are considered fully collectible. Other receivables are mostly made up of customers receivable which are reported at the estimated net realizable amount. An allowance for uncollectible accounts is established based on prior collection experience.

Accounts receivable, net, as of June 30 are as follows:

	<u>2023</u>	<u>2022</u>
Student	\$ 707,127	\$ 869,041
Grants	1,370,326	1,803,958
Other	<u>2,577,719</u>	<u>2,301,944</u>
Total Accounts Receivable	4,655,172	4,974,943
Less: Allowance for Uncollectible Accounts	<u>(333,995)</u>	<u>(256,690)</u>
Total Accounts Receivable, Net	<u><u>\$ 4,321,177</u></u>	<u><u>\$ 4,718,253</u></u>

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable, net, are summarized as follows at June 30:

	<u>2023</u>	<u>2022</u>
Unconditional Contributions Expected to be Collected In		
Less Than One Year	\$ 23,528,533	\$ 40,187,708
One to Five Years	33,722,903	31,900,272
Over Five Years	1,831,348	1,793,339
Charitable Remainder Trusts Held By Others	<u>2,283,420</u>	<u>2,137,922</u>
Total Contributions Receivable	61,366,204	76,019,241
Less:		
Unamortized Discount	(2,841,405)	(1,769,961)
Allowance for Uncollectible Contributions Receivable	<u>(3,919,940)</u>	<u>(3,312,282)</u>
Total Contributions Receivable, Net	<u><u>\$ 54,604,859</u></u>	<u><u>\$ 70,936,998</u></u>

Contributions receivable is discounted at a rate commensurate with the scheduled timing of receipt. The discount rate used for contributions receivable ranged from 0.16% and 6.17% at June 30, 2023 and 2022, respectively. The discount rate used for charitable remainder trusts held by others averaged 5.60% at June 30, 2023 and 2022.

As of June 30, 2021, the University had conditional contributions totaling \$10,000,000. The outstanding amount of the conditional contributions, if received, will be restricted for the renovations of Timmons Arena.

At June 30, 2023 and 2022, gross written unconditional contributions receivable from members of the board of trustees and officers of the University were \$15,832,841 and \$13,482,699, respectively.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 5 INVESTMENTS

Investments by security type as of June 30 are as follows:

	<u>2023</u>	<u>2022</u>
Equities		
U.S. Equity	\$ 26,561,935	\$ 25,035,420
U.S. Equity Funds	98,752,985	85,251,228
Developed International Equity	100,059,292	97,561,938
Emerging Markets	39,942,990	35,035,834
Closely-Held Stock	939	939
Fixed Income		
Bond Funds	48,853,011	51,216,125
U.S. Government Bond Funds	50,269	51,175
Hedged Strategies	110,029,475	113,204,964
Private Capital	147,372,361	174,365,126
Private Credit	8,446,343	2,986,551
Other		
Real Estate	1,755,741	1,742,642
Real Asset Funds	66,525,141	72,978,310
Funds Held in Perpetual Trust by Others	5,426,205	5,097,744
Short-Term Investments	54,059,428	35,964,255
Funds Held in Trust for Bond Issued	60,308,324	72,729,194
Total Fair Value	<u>768,144,439</u>	<u>773,221,445</u>
Real Estate ⁽¹⁾	989,658	1,198,328
Private Capital ⁽¹⁾	<u>5,900,000</u>	<u>5,900,000</u>
Total at Cost	6,889,658	7,098,328
Total Investments	<u>\$ 775,034,097</u>	<u>\$ 780,319,773</u>
Total Cost	<u>\$ 575,308,184</u>	<u>\$ 520,401,961</u>

(1) Direct investments in real estate and specific private capital investments are recorded at cost if purchased and at fair value at the date of the gift, if donated. Investments recorded at cost are reviewed annually for impairment. No impairment losses were recorded in fiscal years 2023 and 2022.

The fair value of investments held by the University under split-interest agreements was approximately \$3.1 million at June 30, 2023, and \$3.0 million at June 30, 2022. The University's investment activity for the years ended June 30 is detailed on the following page. Management fees are netted against interest and dividends and totaled \$2.4 million for the year ended June 30, 2023, and \$2.6 million for the year ended June 30, 2022.

**FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 5 INVESTMENTS (CONTINUED)

Net investment return on investments for the years ended June 30 are as follows:

	<u>2023</u>	<u>2022</u>
Interest and Dividends, Net of Investment Fees	\$ 14,118,828	\$ 2,657,765
Net Realized Loss on Sale of Investments	4,652,770	35,273,585
Net Unrealized Gains on Sale of Investments	<u>(13,732,349)</u>	<u>(46,293,304)</u>
Total Net Investment Return	5,039,249	(8,361,954)
Included in the Consolidated Statement of Activities as Investment Return Designated for Operations		
Endowment Spending Rate	(37,309,881)	(32,510,309)
Other Investment Income	<u>(3,795,450)</u>	<u>(3,130,960)</u>
Total Investment Return Less Amounts Designated for Current Operations	<u>\$ (36,066,082)</u>	<u>\$ (44,003,223)</u>

NOTE 6 EQUITY INTEREST IN HOLLINGSWORTH FUNDS, INC. AND SUBSIDIARIES

In December 2000, the equity interest of John D. Hollingsworth On Wheels, Inc., and substantial real estate holdings passed to an Internal Revenue Service (IRS) qualified supporting organization, Hollingsworth Funds, Inc. and Subsidiaries (the Funds) upon the death of John D. Hollingsworth, the company's founder and sole stockholder. According to Mr. Hollingsworth's last will and testament, Furman University will receive approximately 45% of the annual income distribution from the Funds. During the year ended June 30, 2004, the estate of Mr. Hollingsworth cleared probate court and, accordingly, the University recognized its equity interest in his estate of \$115,346,777. The University and the Funds are financially inter-related organizations for financial reporting purposes and, as a result, the University accounts for this interest under the equity method of accounting and recognizes its share of changes in net assets of the Funds.

The University recognized an unrealized loss of \$17,907,412 for fiscal year 2023 and an unrealized gain of \$11,003,271 for fiscal year 2022, which are included in the investment return less amounts designated for current operations on the consolidated statements of activities. Income distributions from the Funds, which are included in the investment return less amounts designated for current operations on the consolidated statements of activities, were \$4,902,981 for fiscal year 2023 and \$4,495,645 for fiscal year 2022.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

**NOTE 6 EQUITY INTEREST IN HOLLINGSWORTH FUNDS, INC. AND SUBSIDIARIES
(CONTINUED)**

Summarized unaudited financial information of the Funds as of and for the years ended December 31 is as follows:

	2022	2021
Total Assets	<u>\$ 374,044,800</u>	<u>\$ 414,468,977</u>
Total Liabilities	\$ 2,235,486	\$ 3,062,694
Net Assets	<u>371,809,314</u>	<u>411,406,283</u>
Total Liabilities and Net Assets	<u>\$ 374,044,800</u>	<u>\$ 414,468,977</u>
Share of Net Assets	<u>\$ 168,147,788</u>	<u>\$ 186,055,200</u>
Revenues and Gains	\$ (21,249,638)	\$ 41,409,984
Expenses and Losses	(17,738,263)	(17,032,022)
Income Tax Provision	-	(354,819)
Equity in Net Income Subsidiaries	<u>(609,070)</u>	<u>307,351</u>
Change in Net Assets	<u>\$ (39,596,971)</u>	<u>\$ 24,330,494</u>
Share in Change in Net Assets	<u>\$ (17,907,412)</u>	<u>\$ 11,003,271</u>

NOTE 7 ENDOWMENT

The University's endowment consists of more than a thousand separate funds established over many years for scholarships, professorships, academic programs and general institutional support. Endowment related net assets include donor-restricted endowments, board-designated endowments, the University's equity interest in Hollingsworth Funds, Inc. and Subsidiaries, and funds in perpetual trusts held by others. Gift annuities and contributions receivable are not considered components of the endowment. All of the University's endowment net assets without donor restrictions are board-designated endowments.

The board of trustees' interpretation of its fiduciary responsibilities for donor-restricted endowments under the Uniform Prudent Management of Institutional Funds Act (UPMIFA), barring the existence of any donor-specific provisions, is to preserve intergenerational equity. Under this broad guideline, future endowment beneficiaries should receive at least the same level of economic support that the current generation enjoys. The overarching objective is to preserve and enhance the real (inflation-adjusted) purchasing power of the fund in perpetuity.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 ENDOWMENT (CONTINUED)

UPMIFA specifies that, unless stated otherwise in a gift instrument, donor-restricted assets in an endowment fund are restricted assets until appropriated for expenditure. Barring the existence of specific instructions in gift agreements for donor-restricted endowments, the University reports the historical value for such endowments as net assets with donor restrictions held in perpetuity and the net accumulated appreciation as net assets with donor restrictions with purpose/time restrictions. In this context, historical value represents the original value of initial gifts restricted as permanent endowment, plus the original value of subsequent gifts, and if applicable, the value of accumulations made in accordance with the direction of specific donor gift agreements.

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The University expects its endowment funds, over the majority of rolling five-year periods, to provide an average annual real rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation with investments in equities, fixed income, hedged strategies, private capital, and other funds to achieve its long-term, risk-adjusted return objectives.

The board designates only a portion of the University's cumulative investment return for support of current operations; the remainder is retained to support operations of future years and to offset potential market declines. Specific appropriation for expenditure of the University's endowment funds occurs each spring when the board approves the University's operating budget for the ensuing year. The objective of the University's spending policy is to spend from the endowment pool no more than a 5% effective rate. Each year, the University will spend from the endowment pool an amount equal to the average market value of the 12 trailing quarters as of the previous December 31st, multiplied by a rate of between 4% - 6%. The specific spending rate will be set each year through the University's annual budget process. The effective rate is defined as the current fiscal year's spending from the endowment pool divided by the previous fiscal year-end's market value of the endowment pool.

The University considered the expected return on its endowment when it established these policies. Accordingly, the University expects the current spending policy to allow its endowment to maintain its purchasing power by growing at a rate equal to or greater than planned payouts. Additional real growth will be provided through new gifts and any excess investment return.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 ENDOWMENT (CONTINUED)

Changes in endowment net assets for the years ended June 30 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
ENDOWMENT NET ASSETS -			
JUNE 30, 2021	\$ 141,740,092	\$ 697,231,123	\$ 838,971,215
Investment Return, Net	(4,795,241)	29,886	(4,765,355)
Gifts and Additions to Endowment, Net	265,350	10,324,507	10,589,857
Distributions	<u>(6,032,600)</u>	<u>(26,477,709)</u>	<u>(32,510,309)</u>
ENDOWMENT NET ASSETS -			
JUNE 30, 2022	131,177,601	681,107,807	812,285,408
Investment Return, Net	3,299,148	(3,599,232)	(300,084)
Gifts and Additions to Endowment, Net	264,953	12,549,153	12,814,106
Distributions	<u>(6,939,400)</u>	<u>(30,370,481)</u>	<u>(37,309,881)</u>
ENDOWMENT NET ASSETS -			
JUNE 30, 2023	<u>\$ 127,802,302</u>	<u>\$ 659,687,247</u>	<u>\$ 787,489,549</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the University to retain as a fund of perpetual duration. As of June 30, 2023 and 2022, donor restricted endowment funds that had a fair value below the original contribution value were \$9,154,084 and \$5,798,344, respectively, which had deficiencies of this nature of \$416,528 and \$364,039, respectively. These deficiencies resulted from unfavorable market declines that occurred after the investment of recent contributions with donor restrictions. Subsequent gains that restore the fair value of the assets of the endowment funds to the required level will be classified as an increase in net assets with donor restrictions. Management believes these deficiencies will be relatively short term in duration. The University limits the spending on endowment funds for funds that have a fair value of assets less than 80% of original contribution value.

Descriptions of amounts classified as net assets with donor restrictions (endowment only) are as follows:

	2023	2022
The Portion of Perpetual Endowment Funds that is Required to be Retained Permanently Either by Explicit Donor Stipulation or by UPMIFA	\$ 243,195,047	\$ 230,121,632
Term Endowment Funds	168,279,570	186,186,982
The Portion of Perpetual Endowment Funds Subject to Time Restriction Under UPMIFA:		
Without Purpose Restrictions	27,085,803	25,915,825
With Purpose Restrictions	<u>221,126,827</u>	<u>238,883,368</u>
With Donor Restriction Net Assets	<u>\$ 659,687,247</u>	<u>\$ 681,107,807</u>

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 LEASE RECEIVABLE

The Foundation's ground lease with Upstate Senior Living, Inc., was amended and restated on September 17, 2017, to include the lease on Phase I parcel, as set forth in the existing lease, and the lease of the Phase II parcel. The amended and restated lease is for a term of 100 years which ends August 31, 2116. Cumulative lease revenue for Phase I totals \$122,942,916 and for Phase II totals \$61,323,943, both of which is recognized on the straight-line basis over the 100-year lease term. Lease payments on Phase II were deferred until January 15, 2019. As of June 30, 2023 and 2022, the lease receivable totaled \$18,254,141 and \$16,825,745, respectively. The University recognized lease revenue of \$1,749,875 for fiscal years 2023 and 2022. Lease revenue was included in other operating revenues and support and other nonoperating activities on the consolidated statements of activities for fiscal years 2023 and 2022. An allowance for uncollectible lease receivable is established based on prior collection experience, and management has determined that an allowance is not required at June 30, 2023 and 2022.

Future lease payments to be received as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 329,917
2025	338,610
2026	347,565
2027	356,790
2028	366,293
Thereafter	181,003,224
Total	<u>\$ 182,742,399</u>

NOTE 9 PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consists of the following at June 30:

	<u>2023</u>	<u>2022</u>
Land and Land Improvements	\$ 38,641,769	\$ 38,167,724
Buildings	341,852,779	339,129,436
Equipment	81,125,879	82,823,746
Library Books	27,970,883	27,616,614
Collections	3,749,468	3,721,877
Construction in Progress	24,025,914	7,828,299
Total Property and Equipment	<u>517,366,692</u>	<u>499,287,696</u>
Less: Accumulated Depreciation	<u>(253,785,829)</u>	<u>(243,897,005)</u>
Total Property and Equipment, Net	<u>\$ 263,580,863</u>	<u>\$ 255,390,691</u>

Depreciation expense totaled \$15,127,925 and \$15,132,175 in fiscal years 2023 and 2022, respectively, and included depreciation expense for an asset held under a finance lease of \$83,709, for the same periods.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 9 PROPERTY AND EQUIPMENT, NET (CONTINUED)

The University has identified unconditional asset retirement obligations (ARO), primarily for the costs of asbestos removal and disposal. These liabilities are initially recorded at fair value and the related asset retirement costs are capitalized by increasing the carrying amount of the related asset by the same amount as the liability. The liabilities were established using an inflation rate of 3.00% and a discount rate of 4.20% based on relevant factors at origination. ARO liabilities of \$1,447,054 for fiscal years 2023 and 2022 are included in payables and accrued liabilities in the consolidated statements of financial position. No accretion expense was recognized for the years ended June 30, 2023 and 2022.

NOTE 10 BONDS AND LEASE OBLIGATIONS, NET

Outstanding bonds and lease obligations as of June 30 were as follows:

	<u>2023</u>	<u>2022</u>
Educational Facilities Revenue Bonds:		
Series 2015, serial bonds, due in varying installments (ranging from \$485,000 to \$5,600,000) through October 1, 2045. The bonds bear interest, payable semi-annually, at rates ranging from 3.00% to 5.00%.	\$ 61,420,000	\$ 62,030,000
Series 2020, serial bonds, due in varying installments (ranging from \$840,000 to \$13,160,000) through October 1, 2039. The bonds bear interest, payable monthly, at a fixed rate of 1.15%.	32,825,000	33,915,000
Series 2022, serial bonds, due in one lump sum payment on April 1, 2052. The bonds bears interest, payable semi-annually, at a fixed rate of 4.00%.	<u>66,410,000</u>	<u>66,410,000</u>
Par Amount of Bonds	160,655,000	162,355,000
Unamortized Bond Issuance Costs	(1,073,291)	(1,146,640)
Unamortized Premium	<u>10,940,272</u>	<u>11,496,230</u>
Total Bonds, Net	170,521,981	172,704,590
Lease Obligations	<u>271,150</u>	<u>466,442</u>
Bonds and Lease Obligations, Net	<u><u>\$ 170,793,131</u></u>	<u><u>\$ 173,171,032</u></u>

On January 26, 2022, the University issued Series 2022 tax-exempt fixed rate bonds in the aggregate principal amount of \$66,410,000 to provide funds to pay all or a portion of the costs for capital construction, the interest coming due on the Bonds during the period of construction, and issuance of the Bonds. The Bonds were issued at a premium of \$9,867,862 which will be amortized over the life of the bonds. The unexpended bond proceeds are reported on the consolidated statement of financial position and described within Note 2.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 10 BONDS AND LEASE OBLIGATIONS, NET (CONTINUED)

Aggregate maturities of bonds subsequent to June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$2,440,000
2025	2,520,000
2026	2,605,000
2027	13,160,000
2028	3,505,000
Thereafter	<u>136,425,000</u>
Total	<u><u>\$ 160,655,000</u></u>

The estimated fair value of the University's bonds, including current maturities, at June 30 is as follows:

	<u>2023</u>	<u>2022</u>
Educational Facilities Revenue Bonds	\$ 158,839,280	\$ 160,955,350
Lease Obligations	<u>271,150</u>	<u>466,442</u>
Total Estimated Fair Value of Bonds and Lease Obligations	<u><u>\$ 159,110,430</u></u>	<u><u>\$ 161,421,792</u></u>

Interest expense on a cash and accrual basis for the years ended June 30 follows:

	<u>2023</u>	<u>2022</u>
Cash Paid for Interest	\$ 5,750,398	\$ 3,616,883
Amortization of Bond Premium	(555,958)	(396,062)
Amortization of Bond Issuance Costs	73,349	74,331
Change in Year-End Accrual	6,422	646,876
Interest Cost Capitalized	<u>(243,216)</u>	<u>(14,515)</u>
Total Interest Expense	<u><u>\$ 5,030,995</u></u>	<u><u>\$ 3,927,513</u></u>

In May 2021, the University entered into a revolving line of credit, in an amount not to exceed \$10 million, with a national bank. The line of credit had a two-year term with interest accruing at a variable rate per annum equal to one-month LIBOR plus a set spread. The line of credit was renewed in May 2023 for an additional two-year term with an interest rate per annum equal to the Term SOFR Rate in effect for such interest period plus the SOFR adjustment. There were no outstanding amounts on the line of credit as of June 30, 2023 and 2022.

The University has historically entered into several lease arrangements under which the University is the lessee. As of June 30, 2023, the University has entered into three operating leases and one finance lease.

The amount recognized as the right-of-use (ROU) asset related to the University's finance lease is included in property and equipment, net on the consolidated statements of financial position as of June 30, 2023.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 10 BONDS AND LEASE OBLIGATIONS, NET (CONTINUED)

Aggregate maturities of the lease obligations subsequent to June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Finance Lease</u>	<u>Operating Leases</u>	<u>Total</u>
2024	\$ 83,844	\$ 72,320	\$ 156,164
2025	-	62,268	62,268
2026	-	65,925	65,925
Total Undiscounted Cash Flows	83,844	200,513	284,357
Present Value Discount	(6,042)	(7,165)	(13,207)
Total Lease Obligations	<u>\$ 77,802</u>	<u>\$ 193,348</u>	<u>\$ 271,150</u>

Aggregate maturities of the lease obligations subsequent to June 30 are as follows:

	<u>2023</u>	<u>2022</u>
Lease Expense:		
Finance Lease Expense:		
Amortization of ROU Asset	\$ 85,382	\$ 83,709
Interest on Lease Liabilities	4,335	7,361
Operating Lease Expense	72,224	147,823
Total Lease Expense	<u>\$ 161,941</u>	<u>\$ 238,893</u>

Other required information on the University's lease obligations are as follows at June 30:

	<u>2023</u>	<u>2022</u>
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Financing Lease (i.e., Interest)	\$ 4,591	\$ 7,608
Financing Cash Flows from Financing Lease (i.e., Principal Portion)	\$ 86,875	\$ 83,858
Operating Cash Flows from operating Leases	\$ 70,589	\$ 144,421
ROU Asset Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 35,382
Weighted-Average Remaining Lease Term for Finance Lease	0.92 Years	1.92 Years
Weighted-Average Remaining Lease Term for Operating Leases	2.78 Years	3.30 Years
Weighted-Average Discount Rate for Finance Lease	3.54%	3.54%
Weighted-Average Discount Rate for Operating Leases	1.46%	1.75%

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 11 FAIR VALUE MEASUREMENT

The University uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 - inputs are inputs other than quoted prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities.

Level 3 - inputs are unobservable inputs for the assets or liabilities.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement.

Investments measured at NAV are those which the University has applied a practical expedient and concluded that NAV reported by the underlying fund approximated the fair value of investments, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. The University has no plans to sell these investments in the secondary market at amounts substantially different from NAV.

The following is a summary of the levels within the fair value hierarchy for the University's assets and liabilities measured at fair value at June 30:

	2023				
	Investments Measured at NAV	Investments Categorized in the Fair Value Hierarchy			
		Level 1	Level 2	Level 3	Total
Equities:					
U.S. Equity	\$ -	\$ 26,561,935	\$ -	\$ -	\$ 26,561,935
U.S. Equity Funds	98,114,268	638,717	-	-	98,752,985
Developed International Equity	76,194,523	23,864,769	-	-	100,059,292
Emerging Markets	39,810,093	132,897	-	-	39,942,990
Closely-Held Stock	-	-	-	939	939
Fixed Income:					
Bond Funds	19,543,466	29,309,545	-	-	48,853,011
U.S. Government Bond Funds	44,731	5,538	-	-	50,269
Hedged Strategies	110,029,475	-	-	-	110,029,475
Private Capital	147,372,361	-	-	-	147,372,361
Private Credit	8,446,343	-	-	-	8,446,343
Other:					
Real Estate	1,474,342	-	-	281,399	1,755,741
Real Asset Funds	66,426,368	98,773	-	-	66,525,141
Funds Held in Perpetual Trust by Others	-	-	-	5,426,205	5,426,205
Short-Term Investments	-	54,059,428	-	-	54,059,428
Funds Held in Trust for Bond Issued	-	60,308,324	-	-	60,308,324
Total Investments	\$ 567,455,970	\$ 194,979,926	\$ -	\$ 5,708,543	\$ 768,144,439
Charitable Remainder Trusts Held by Others	\$ -	\$ -	\$ -	\$ 2,283,420	\$ 2,283,420
Actuarial Liability for Annuities Payable	\$ -	\$ -	\$ -	\$ 1,047,380	\$ 1,047,380

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 FAIR VALUE MEASUREMENT (CONTINUED)

	2022				
	Investments Measured at NAV	Investments Categorized in the Fair Value Hierarchy			
		Level 1	Level 2	Level 3	Total
Equities:					
U.S. Equity	\$ -	\$ 25,035,420	\$ -	\$ -	\$ 25,035,420
U.S. Equity Funds	84,728,202	523,026	-	-	85,251,228
Developed International Equity	66,563,824	30,998,114	-	-	97,561,938
Emerging Markets	34,920,406	115,428	-	-	35,035,834
Closely-Held Stock	-	-	-	939	939
Fixed Income:					
Bond Funds	38,396,677	12,819,448	-	-	51,216,125
U.S. Government Bond Funds	45,552	5,623	-	-	51,175
Hedged Strategies	105,609,346	7,595,618	-	-	113,204,964
Private Capital	174,365,126	-	-	-	174,365,126
Private Credit	2,986,551	-	-	-	2,986,551
Other:					
Real Estate	1,461,242	-	-	281,400	1,742,642
Real Asset Funds	72,758,770	219,540	-	-	72,978,310
Funds Held in Perpetual Trust by Others	-	-	-	5,097,744	5,097,744
Short-Term Investments	-	35,964,255	-	-	35,964,255
Funds Held in Trust for Bond Issued	-	72,729,194	-	-	72,729,194
Total Investments	\$ 581,835,696	\$ 186,005,666	\$ -	\$ 5,380,083	\$ 773,221,445
Charitable Remainder Trusts Held by Others	\$ -	\$ -	\$ -	\$ 2,137,922	\$ 2,137,922
Actuarial Liability for Annuities Payable	\$ -	\$ -	\$ -	\$ 1,060,729	\$ 1,060,729

The majority of the University's underlying fund managers use a market approach to value an investment. In addition, the following inputs/valuation techniques are used – comparable security analysis, recent transactions, earnings and cash flow forecasts, market multiple analysis, discounted cash flow/time value of money, internal valuation models, third-party appraisals, bona-fide offers, and 'at cost' for the period subsequent to acquisition.

The classification of a financial instrument within Level 3 is based on the significance of the unobservable inputs to the overall fair value measurement.

All net realized and unrealized gains and losses on Level 3 investments are reflected in the consolidated statements of activities as investment return less amounts designated for current operations.

There were no transfers between levels during fiscal years 2023 and 2022.

For investments in entities that calculate net asset value or its equivalent whose fair value is not readily determinable, the following table provides information about the relative liquidity of these investments. The fair values of these investments have been estimated using net asset value per share of the investments, unless noted. Management is not aware of any factors that would impact net asset value as of June 30, 2023.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 FAIR VALUE MEASUREMENT (CONTINUED)

	Fair Value	Unfunded Commitments	Redemption Frequency (If Applicable)	Redemption Notice Period
U.S. Equity Funds (a)	\$ 98,114,268	\$ -	Daily - Quarterly	0 - 60 Days
Developed International Equity (b)	76,194,523	-	Daily - 3 Years	0 - 120 Days
Emerging Markets (c)	39,810,093	-	Monthly - Annual	10 - 60 Days
Bond Funds (d)	19,543,466	-	Daily - Quarterly	0 - 90 Days
U.S. Government Bond Funds (e)	44,731	-	N/A	N/A
Hedged Strategies (f)	110,029,475	-	Monthly - Annual	60 - 90 Days
Private Capital (g)	147,372,361	58,707,742	N/A	N/A
Private Credit (h)	8,446,343	3,866,903	N/A	N/A
Public Real Asset Funds (i)	21,976,885	-	Monthly	5 - 30 Days
Private Nonmarketable Real Assets Funds (j)	44,449,483	10,171,203	N/A	N/A
Real Estate (k)	<u>1,474,342</u>	-	N/A	N/A
Total	<u>\$ 567,455,970</u>			

- a) Includes investments primarily in long-only and active extension funds that have both long and short U.S. equity positions. There typically can be exposure to international markets within these funds. The funds are broadly diversified and have net exposure equal to 100% net long. The active extension funds utilize strategies that incorporate fundamental and quantitative methods and seek to outperform their respective benchmarks on a risk-adjusted basis.
- b) Includes investments primarily in diversified, long-only commingled funds that invest in developed international markets. There can be exposure to North America and emerging markets within these funds as well as a limited amount of credit, real estate and short exposure. The funds are actively managed and seek to outperform their respective benchmarks on a risk-adjusted basis by over/underweighting countries, sectors and securities.
- c) Includes investments primarily in diversified, long-only commingled funds that invest in emerging market equities. There can be exposure to developed international and North American markets within these funds. The funds are actively managed and seek to outperform their respective benchmarks on a risk-adjusted basis by over/underweighting countries, sectors, and securities.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 FAIR VALUE MEASUREMENT (CONTINUED)

- d) Includes investments primarily in an active U.S. core bond fund, a passive holding in a U.S. government bond fund, an active global high yield and loan fund and a short-term real estate loan fund. The active funds seek to add value versus their benchmarks by over/underweighting sectors and countries/currencies (in the case of the global high yield and loan fund) and by means of security selection.
- e) Includes investments in a fund that invests in U.S. Treasury Inflation-Protected Securities.
- f) Includes direct investments in equity long/short hedge funds, multi-strategy hedge funds, and credit long/short hedge funds. The funds in aggregate generally have net long exposure (50% - 90%) and gross exposure ranging from 100% to 250%. Less than a third of the hedged strategy exposure is considered "locked up" with redemption arrangements one year or more. These exclude funds with gate provisions within their liquidity terms.
- g) Includes investments primarily in private equity and venture capital funds, private debt and structured credit funds, fund-of-funds, and co-investments which invest in or lend to private partnerships that seek to grow capital and/or generate cash flow over longer periods of time. The strategies typically employed seek to take control of minority positions in early-stage or start-up ventures, growth equity, potential turn-around candidates or buyouts, private lending, collateralized loan obligation equity, or other special situations. Because of the longer-term nature of these investment strategies, the University does not have the ability to withdraw or redeem funds. Instead, the partnerships return money to the University over a longer period of time, usually 3 to 12 years after the initial subscription and investment period but could be longer in the event that extensions are utilized.
- h) Includes investments primarily in private credit funds who act as non-bank lenders and make negotiated private loans to companies. These funds seek to generate a return premium, provide diversification and reduced volatility compared to public markets.
- i) Includes investments in longer term private capital direct investments and partnerships that invest in natural resource assets (oil and gas, metals and mining, renewable energy, and power generation) and real estate funds and/or fund-of-funds (raw land, buildings, publicly-traded securities/commingled funds, and private partnerships) and asset-based leasing opportunities. Because of the longer-term nature of these investment strategies, the University does not have the ability to withdraw or redeem funds. Instead, the partnerships return money to the University over a longer period of time, usually 3 to 12 years after the initial subscription and investment period but could be longer in the event that extensions are utilized.
- j) Includes investments primarily in commodities (an unlevered fund that invests in a variety of diversified, liquid futures contracts) and publicly traded real estate investment trust exchange traded funds.
- k) Includes direct investments, equity and debt, in real estate properties.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 12 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Purpose Restrictions Accomplished:		
Instruction and Academic Support	\$ 5,352,105	\$ 5,326,889
Research	368,797	218,148
Student Services	2,962,057	2,210,137
Institutional Support	1,874,063	1,171,295
Student Aid	2,718,642	3,526,602
Endowment Distributions	30,370,481	26,477,709
Other	<u>68,753</u>	<u>456,529</u>
Satisfaction of Program Restrictions from Operations	43,714,898	39,387,309
Capital Improvements	<u>1,392,829</u>	<u>3,155,951</u>
Total	<u><u>\$ 45,107,727</u></u>	<u><u>\$ 42,543,260</u></u>

NOTE 13 COMPOSITION OF NET ASSETS

Net assets with donor restrictions are available for the following purposes at June 30:

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose:		
Instruction and Academic Support	\$ 193,991,353	\$ 212,292,037
Student Services	680,097	2,276,968
Institutional Support	1,127,667	942,674
Student Aid	2,451,901	2,818,294
Capital Projects and Building Maintenance	7,309,739	5,332,134
Unspecified Designation	11,862,009	21,341,883
Endowment Earnings	<u>248,212,630</u>	<u>264,799,193</u>
Total	465,635,396	509,803,183
Subject to the Spending Policy and Appropriation Restricted in Perpetuity, the Income from Which is Expendable to Support:		
Instruction and Academic Support	96,210,977	90,457,954
Student Services	6,541,814	8,845,422
Student Aid	144,463,034	139,140,126
Capital Projects and Building Maintenance	<u>18,678,554</u>	<u>18,485,380</u>
Total	<u>265,894,379</u>	<u>256,928,882</u>
Total	<u><u>\$ 731,529,775</u></u>	<u><u>\$ 766,732,065</u></u>

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 14 OPERATING EXPENSES

Operating expenses by function and nature consist of the following for the years ended June 30, 2023 and 2022:

	2023							Total
	Program Functions						Supporting Functions	
	Instruction	Research	Public Service	Academic Support	Student Services	Room, Board and Auxiliary Services	Institutional Support	
Salaries and Wages	\$29,791,800	\$712,287	\$54,599	\$9,607,729	\$12,706,209	\$2,681,545	\$10,163,109	\$65,717,278
Fringe Benefits	10,784,080	105,093	14,819	2,707,494	4,054,078	761,130	4,199,900	22,626,594
Operation and Maintenance of Plant	7,234,763	-	26,874	2,141,493	2,822,079	2,902,902	1,473,266	16,601,377
Depreciation	3,361,432	334,651	1,835	2,997,185	2,523,554	4,737,944	1,171,324	15,127,925
Interest	1,685,944	-	-	2,671	52,126	3,183,950	106,304	5,030,995
Other Noncompensation Operating Expenses	12,281,854	1,115,598	17,944	5,319,201	13,421,807	11,920,353	10,516,355	54,593,112
Total	\$65,139,873	\$2,267,629	\$116,071	\$22,775,773	\$35,579,853	\$26,187,824	\$27,630,258	\$179,697,281

	2022							Total
	Program Functions						Supporting Functions	
	Instruction	Research	Public Service	Academic Support	Student Services	Room, Board and Auxiliary Services	Institutional Support	
Salaries and Wages	\$ 28,595,786	\$ 484,207	\$ 324,964	\$ 8,488,607	\$ 11,824,780	\$ 2,212,335	\$ 10,788,001	\$ 62,718,680
Fringe Benefits	9,369,925	80,388	88,205	2,366,088	3,372,372	553,286	5,746,272	21,576,536
Operation and Maintenance of Plant	6,536,201	-	24,233	1,934,822	2,549,191	2,520,209	1,328,327	14,892,983
Depreciation	3,334,573	368,251	1,778	3,085,430	2,422,656	4,746,163	1,173,324	15,132,175
Interest	1,684,302	-	-	2,762	54,168	2,074,657	111,624	3,927,513
Other Noncompensation Operating Expenses	10,055,041	1,716,984	60,153	6,635,184	10,840,503	11,874,868	7,975,212	49,157,945
Total	\$ 59,575,828	\$ 2,649,830	\$ 499,333	\$ 22,512,893	\$ 31,063,670	\$ 23,981,518	\$ 27,122,760	\$ 167,405,832

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these operating expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include interest and plant operations and maintenance. Interest expense is allocated based on percentage of bond proceeds used to fund cost of construction while plant operations and maintenance is allocated on a square footage basis.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 15 LIQUIDITY

Financial assets available for general expenditure within one year at June 30 are as follows:

	<u>2023</u>	<u>2022</u>
Total Assets	\$ 1,300,554,863	\$ 1,347,139,643
Less Nonfinancial Assets:		
Prepaid Expenses and Other Assets	(5,271,204)	(5,692,181)
Property and Equipment, Net	(263,580,863)	(255,390,691)
Less Financial Assets Unavailable for General Expenditures Within One Year:		
Endowment Funds Less: Equity Interest in Hollingsworth Funds, Inc. and Subsidiaries	(619,341,761)	(626,230,208)
Other Net Assets Restricted for Specified Purposes	(13,494,007)	(10,933,046)
Annuities, Trusts, and Other Illiquid Investments	(2,953,559)	(3,374,979)
Unspent Bond Proceeds	(60,308,324)	(72,729,194)
Contributions Receivable, Net	(54,604,859)	(70,936,998)
Equity Interest in Hollingsworth Funds, Inc. and Subsidiaries	(168,147,788)	(186,055,200)
Lease Receivable	(18,254,141)	(16,825,745)
Financial Assets Available for General Expenditures Within One Year:		
Amount Subject to Appropriation Within One Year	40,592,964	40,906,181
Contributions Receivable Due in One Year	23,528,533	40,187,708
Lease Receivable Due in One Year	329,917	321,479
	<u> </u>	<u> </u>
Financial Assets Available Within One Year	<u>\$ 159,049,771</u>	<u>\$ 180,386,769</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the University considers all expenditures related to its ongoing activities of instruction and the conduct of services undertaken to support those activities to be general expenditures. The University manages its financial assets to be available as its operating expenditures, liabilities, and other obligations come due. The University actively manages its resources and invests cash in excess of daily requirements in a combination of short-, medium-, and long-term investment strategies.

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes and is not available for general expenditure. Board-designated endowment of \$127,802,302 and \$131,177,601 at June 30, 2023 and 2022, respectively, is subject to the University's spending policy as described in Note 7. The University does not intend to spend from the board-designated endowment other than amounts appropriated for general expenditure in accordance with the spending policy and has deducted these funds from total assets in the table above. However, these amounts could be made available if necessary.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 16 RETIREMENT PLAN

The University sponsors a defined contribution retirement plan that covers substantially all full-time faculty and staff employees. Contributions under this plan are applied to individual annuities issued to each plan participant. Employer contributions to the plan amount to 5.25% or 10.25% of base compensation based on years of service or attained age. Retirement expense was approximately \$5.5 million and \$5.3 million for the years ended June 30, 2023 and 2022, respectively.

NOTE 17 DEVELOPMENT AND FUNDRAISING EXPENSES

The University incurred expenses related to development and fundraising amounting to approximately \$6.1 million and \$5.3 million during each of the years ended June 30, 2023 and 2022, respectively. Such expenses are included in institutional support on the consolidated statements of activities.

NOTE 18 COMMITMENTS AND CONTINGENCIES

Construction and Equipment

At June 30, 2023, open contracts for the construction or purchase of physical properties amounted to approximately \$50.1 million. In spring 2022, the University announced its largest construction project to date, a comprehensive renovation of South Housing that will include building a new residence hall and updating four others in the complex devoted to first-year students.

Self-Insurance

The University provides employee healthcare benefits primarily through employer contributions, participant contributions, and excess loss insurance and manages those programs through a third-party administrator. The University is liable for losses on claims up to \$250,000 per claimant and has third-party insurance coverage for any losses in excess of such amounts. For the year ended June 30, 2022, the self-insurance liability was \$630,000 and is included in payables and accrued liabilities on the consolidated statements of financial position. Effective January 1, 2023, the University transitioned from a self-insured medical plan to a fully-insured medical plan.

Litigation

The University is engaged in various legal actions occurring in the normal course of activities. While the final outcomes cannot be determined at this time, management is of the opinion that the resolution of these matters will not have a material adverse effect on the University's financial position.

**FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 18 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Financial Aid

Federally and state-funded financial aid programs are subject to special audits. Such audits could result in claims against the resources of the University. No such audits have occurred as of the date of the audit report; therefore, no provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

NOTE 19 SUBSEQUENT EVENTS

The University evaluated events subsequent to June 30, 2023, and through October 26, 2023, the date on which the consolidated financial statements were available for issuance.

Effective August 1, 2023, employer contributions to the University's defined contribution retirement plan were increased to 6% or 11% of base compensation based on years of services or attained age.

NOTE 20 FINANCIAL RESPONSIBILITY – U.S. DEPARTMENT OF EDUCATION

The Department of Education issued regulations on February 23, 2019, which became effective July 1, 2020, regarding additional disclosures deemed necessary to calculate certain ratios for determining sufficient financial responsibility under Title IV.

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 20 FINANCIAL RESPONSIBILITY – U.S. DEPARTMENT OF EDUCATION (CONTINUED)

The University's pre-implementation and post-implementation property, plant, and equipment amounts are as follows:

	<u>Pre- Implementation</u>	<u>Post- Implementation</u>	<u>Total</u>
Property, Plant, and Equipment (PPE), Net of Accumulated Depreciation - June 30, 2022:			
(1) Land, Buildings, Equipment, Furniture and Software	\$ 229,912,291	\$ 17,348,461	\$ 247,260,752
(2) Leased Capital Assets	301,640	-	301,640
(3) Construction in Process (CIP)	-	7,828,299	7,828,299
Total PPE, Net - June 30, 2022	<u>230,213,931</u>	<u>25,176,760</u>	<u>255,390,691</u>
 Fiscal Year Ended June 30, 2023			
Activity:			
(1) Land, Buildings, Equipment, Furniture, and Software:			
Additions	-	2,153,937	2,153,937
CIP Placed in Service	-	4,990,333	4,990,333
Disposals	-	(23,788)	(23,788)
Depreciation	(12,575,344)	(2,552,581)	(15,127,925)
Subtotal	<u>(12,575,344)</u>	<u>4,567,901</u>	<u>(8,007,443)</u>
(2) Leased Capital Assets:			
Depreciation	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
(3) CIP:			
Additions	-	21,187,948	21,187,948
CIP Placed in Service	-	(4,990,333)	(4,990,333)
Subtotal	<u>-</u>	<u>16,197,615</u>	<u>16,197,615</u>
Total PPE, Net - June 30, 2023	<u>\$ 217,638,587</u>	<u>\$ 45,942,276</u>	<u>\$ 263,580,863</u>
 Comprised of:			
Land, Buildings, Equipment, Furniture, and Software	\$ 217,336,947	\$ 21,916,362	\$ 239,253,309
Leased Capital Assets	301,640	-	301,640
CIP	-	24,025,914	24,025,914
Total PPE, Net - June 30, 2023	<u>\$ 217,638,587</u>	<u>\$ 45,942,276</u>	<u>\$ 263,580,863</u>

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 20 FINANCIAL RESPONSIBILITY – U.S. DEPARTMENT OF EDUCATION (CONTINUED)

The University's pre-implementation and post-implementation debt and line of credit amounts are as follows:

	Pre- Implementation	Post- Implementation	Total
Debt and Line of Credit - June 30, 2022			
(1) PPE	\$ 95,945,000	\$ 66,410,000	\$ 162,355,000
(2) Financing Leases	169,248	-	169,248
(3) Unamortized Bond Issuance Costs	(577,560)	(569,080)	(1,146,640)
(4) Unamortized Net Premium	1,780,807	9,715,423	11,496,230
(5) Operating Lease Obligation	-	297,194	297,194
Total Debt - June 30, 2022	97,317,495	75,853,537	173,171,032
Fiscal Year Ended June 30, 2023			
Activity			
(1) PPE			
Payments	(1,700,000)	-	(1,700,000)
Subtotal	(1,700,000)	-	(1,700,000)
(2) Financing Leases			
Payments	(91,446)	-	(91,446)
Subtotal	(91,446)	-	(91,446)
(3) Unamortized Bond Issuance Costs			
Amortization	53,726	19,623	73,349
Subtotal	53,726	19,623	73,349
(4) Unamortized Net Premium			
Amortization	(229,622)	(326,336)	(555,958)
Subtotal	(229,622)	(326,336)	(555,958)
(5) Operating Lease Obligation			
Payments	-	(103,846)	(103,846)
Subtotal	-	(103,846)	(103,846)
Total Debt - June 30, 2023	\$ 95,350,153	\$ 75,442,978	\$ 170,793,131

FURMAN UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 20 FINANCIAL RESPONSIBILITY – U.S. DEPARTMENT OF EDUCATION (CONTINUED)

	Pre- Implementation	Post- Implementation	Total
Comprised of:			
(1) PPE	\$ 94,245,000	\$ 66,410,000	\$ 160,655,000
(2) Financing Leases	77,802	-	77,802
(3) Unamortized Bond Issuance Costs	(523,834)	(549,457)	(1,073,291)
(4) Unamortized Net Premium	1,551,185	9,389,087	10,940,272
(5) Operating Lease Obligation	-	193,348	193,348
Total Debt - June 30, 2023	<u>\$ 95,350,153</u>	<u>\$ 75,442,978</u>	<u>\$ 170,793,131</u>

The University's pre-implementation and post-implementation leases are as follows:

	Pre- Implementation	Post- Implementation	Total
Lease Right-of-Use Asset - June 30, 2022	\$ -	\$ 366,494	\$ 366,494
Fiscal Year Ended June 30, 2023 Activity			
Additions	-	-	-
Disposals	-	(80,000)	(80,000)
Subtotal Leases	<u>-</u>	<u>(80,000)</u>	<u>(80,000)</u>
Total Leases - June 30, 2023	<u>\$ -</u>	<u>\$ 286,494</u>	<u>\$ 286,494</u>

	Pre- Implementation	Post- Implementation	Total
Lease Liability - June 30, 2022	\$ 169,248	\$ 297,194	\$ 466,442
Fiscal Year Ended June 30, 2023 Activity			
Payments	<u>(91,446)</u>	<u>(103,846)</u>	<u>(195,292)</u>
Subtotal Operating Leases	<u>(91,446)</u>	<u>(103,846)</u>	<u>(195,292)</u>
Total Operating Leases - June 30, 2023	<u>\$ 77,802</u>	<u>\$ 193,348</u>	<u>\$ 271,150</u>

FORMS OF THE PRINCIPAL DOCUMENTS

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SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
as Bond Trustee**

INDENTURE OF TRUST

Dated as of May 1, 2024

Relating to

**\$(Par)
South Carolina Jobs-Economic Development Authority
Educational Facilities Revenue Bonds
(Furman University)
Series 2024**

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(This Table of Contents is not part of this Indenture of Trust and is only for convenience of reference.)

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this “*Indenture*”) is dated as of May 1, 2024 (the “*Document Date*”), and is between the SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and an agency of the State of South Carolina (together with any successors, the “*Authority*”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Bond Trustee (together with any successors, the “*Bond Trustee*”).

PRELIMINARY STATEMENT

WHEREAS, Title 41, Chapter 43, Code of Laws of South Carolina 1976, as amended (the “*Act*”), authorizes the Authority to issue revenue bonds, including notes, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues in order to provide funds for any purpose authorized by the Act; and

WHEREAS, Furman University, a private nonprofit institution of higher learning and nonprofit corporation organized and existing under the laws of the State of South Carolina (the “*University*”), desires to finance all or a portion of the cost of the Project (as defined in the Loan Agreement referred to below) from the proceeds of revenue bonds to be issued by the Authority pursuant to the Act; and

WHEREAS, the Authority has determined to issue its revenue bonds in the aggregate principal amount of \$[Par] (the “*Bonds*”) and to lend the proceeds thereof to the University for the purpose of financing all or a portion of (i) the costs of the Project; (ii) the establishment of certain funds and accounts; and (iii) certain costs and expenses related to the foregoing, including without limitation certain costs incurred in connection with the issuance of the Bonds; and

WHEREAS, simultaneously with the issuance of the Bonds, the Authority and the University will enter into a Loan Agreement dated as of the Document Date (which Loan Agreement, together with any and all amendments thereof as herein permitted, is herein called the “*Loan Agreement*”), pursuant to which the Authority will loan the proceeds from the original sale of the Bonds to the University and the University will, as more particularly described in such Loan Agreement and subject to the credits as to payment and other provisions set forth therein, agree to repay such loan through the payment of amounts corresponding to amounts due as principal, premium (if any) and interest on the Bonds; and

WHEREAS, the Authority is entering into this Indenture for the purpose of authorizing the Bonds and securing the payment thereof by assigning certain of its rights under the Loan Agreement to the Bond Trustee; and

WHEREAS, the Authority has determined that the Bonds and the certificate of authentication to be endorsed by the Bond Trustee on each of the Bonds as provided herein shall be substantially in the form of *Exhibit A* to this Indenture with such variations, omissions and insertions as are required or permitted by this Indenture; and

WHEREAS, under the Constitution and laws of the State of South Carolina, including the Act, the Authority is authorized to enter into this Indenture, to issue the Bonds as hereinafter provided, to lend the proceeds of the Bonds to the University pursuant to the Loan Agreement for the purposes hereinbefore

stated, and to do or cause to be done all the acts and things herein provided or required to be done as hereinafter covenanted; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of South Carolina, including the Act, to happen, exist and be performed precedent to and in the execution and delivery of this Indenture have happened, exist and have been performed as so required to make this Indenture a valid and binding indenture securing the Bonds in accordance with its terms; and

WHEREAS, the Bond Trustee has accepted the trusts created by this Indenture and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, in consideration of the premises and of the covenants and undertakings herein expressed, the parties hereto agree as follows:

GRANTING CLAUSES

NOW, in consideration of the acceptance by the Bond Trustee of the trusts created by this Indenture, the purchase and acceptance of the Bonds by the Underwriter (as such term is defined in the Loan Agreement) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to secure the payment of the principal of, premium, if any, and interest on the Bonds and the performance and observance by the Authority of its obligations under this Indenture and the Bonds, the Authority pledges and assigns to the Bond Trustee and grants the Bond Trustee a security interest in the following property (the “*Trust Estate*”):

1. except for the Unassigned Rights, the Authority’s entire right, title and interest in and to the Loan Agreement, specifically including, without limitation, the Authority’s right to receive Loan Repayments from the University under Sections 3.3(a), (b) and (c) of the Loan Agreement in respect of amounts corresponding to the principal of, premium (if any) and interest on the Bonds;

2. the Authority’s entire right, title and interest in and to all other Revenues and all cash, securities or other investments held by the Bond Trustee in any of the Indenture Funds (as such term is defined in the Loan Agreement) or otherwise under the terms of this Indenture; and

3. all money and securities from time to time held by the Bond Trustee under the terms of this Indenture and all other real or personal property from time to time conveyed, pledged, assigned or transferred to the Bond Trustee as additional security under this Indenture which property the Bond Trustee is hereby authorized to receive.

TO HAVE AND TO HOLD the same forever, upon the terms and conditions set forth in this Indenture but IN TRUST, nevertheless, for the equal and proportionate benefit, security and protection of all the Bonds issued under this Indenture without privilege, priority or distinction as to lien or otherwise of any Bond over any other Bond,

PROVIDED, HOWEVER, that if the Authority or its successors or assigns pays, causes to be paid or provides for the payment as permitted by this Indenture of the principal of, premium, if any, and interest on the Bonds at the times, in the manner and as otherwise provided by this Indenture and keeps, performs and observes all its covenants and agreements contained in this Indenture then this Indenture and

the rights hereby granted shall cease, determine and be void; otherwise this Indenture shall be and remain in full force and effect.

All the Bonds issued and secured under this Indenture are to be issued, authenticated and delivered and all property, rights, interests and Revenues assigned and pledged under this Indenture are to be dealt with subject to the terms and conditions of this Indenture.

The Authority agrees and covenants with the Bond Trustee and with the Registered Owners (as such term is defined in the Loan Agreement), from time to time, as follows:

ARTICLE I

DEFINITIONS, RULES OF INTERPRETATION AND EXHIBITS

Section 101. Definitions. Capitalized terms used in this Indenture have the meanings that are attributed to them in Section 1.1 of the Loan Agreement unless the context clearly requires a different meaning. In addition, those words defined in the Preliminary Statements to this Indenture shall have, for purposes of this Indenture, the meanings set forth therein.

Section 102. Rules of Interpretation. For purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) The words “herein,” “hereof” and “hereunder” and other similar words refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(b) Defined terms used in this Indenture are applicable whether the terms defined are used in the singular or the plural.

(c) All accounting terms which are not defined in this Indenture have the meanings assigned to them in accordance with generally accepted accounting principles.

(d) Any pronouns used in this Indenture include both the singular and the plural and cover both genders.

(e) Any terms not defined in this Indenture but which are defined in the Loan Agreement have the same meaning in this Indenture as are given to them in the Loan Agreement.

(f) Any terms defined elsewhere in this Indenture have the meanings attributed to them where defined.

(g) This Indenture is to be governed by the laws of the State of South Carolina.

(h) All references to Articles or Sections appearing or used in this Indenture shall be to such Articles or Sections in this Indenture unless the context shall otherwise require.

ARTICLE II

THE BONDS

Section 201. Limitation. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article.

Section 202. The Bonds.

(a) The Bonds are authorized by this Section and designated “South Carolina Jobs-Economic Development Authority Educational Facilities Revenue Bonds (Furman University) Series 2024.” No Bonds may be Outstanding under this Indenture in an aggregate principal amount greater than \$[Par].

(b) The Bonds are (i) issuable only as fully registered bonds without coupons, (ii) issuable only in Authorized Denominations, (iii) to be lettered and numbered R-1 upward, and (iv) to be dated their date of original issuance.

Section 203. Payment of the Bonds.

(a) The Bonds mature on the dates and in the amounts listed below and bear interest from their date at the rate per annum designated below:

April 1	Principal Amount	Interest Rate
2025	\$ 695,000	%
2026	880,000	
2027	920,000	
2028	1,465,000	
2029	1,535,000	
2030	1,615,000	
2031	1,700,000	
2032	1,775,000	
2033	1,865,000	
2034	56,515,000	

Interest on the Bonds is payable in installments due on April 1 and October 1 of each year until the Bonds mature or are redeemed, commencing [October 1, 2024]. Interest on the Bonds shall be computed from the Bond Interest Payment Date next preceding the date on which it is authenticated unless it is authenticated upon a Bond Interest Payment Date, in which event it shall bear interest from such Bond Interest Payment Date or (b) authenticated prior to the first Bond Interest Payment Date, in which event it shall bear interest from the date of their original issuance; provided, however, that if at the time of authentication of any Bond interest is in default, and interest on such Bond was paid on the first Bond Interest Payment Date, then such Bond shall bear interest from the Bond Interest Payment Date to which interest has been paid. Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Bond Interest Payment Date shall be paid to the Person in whose name that Bond is registered at the close of business on the applicable Record Date.

(b) Payment of the principal of and premium, if any, on any Bonds when due, whether upon maturity, redemption, acceleration or otherwise, will be made to the Registered Owner at the Principal Office of the Bond Trustee or the principal office of any alternate paying agent subsequently appointed upon presentation and surrender of the Bonds to be paid. Payment of any installment of interest on any Bond will be made to the Registered Owner without the necessity of surrendering the Bond on which payment is being made (i) by check or draft mailed by the Bond Trustee to the Registered Owner at the Registered Owner's Address, or (ii) by wire transfer to any bank in the continental United States for a Registered Owner of \$1,000,000 or more in aggregate principal amount of Bonds who, by written request delivered to the Bond Trustee no later than the Record Date for the payment, has requested the Bond Trustee to make any payments of interest due to it by wire transfer at a specified wire transfer address (which request needs to be given only once unless the Registered Owner wishes to change the wire transfer address). All payments of principal, premium and interest on any Bonds will be made in lawful money of the United States of America.

(c) Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Bond Interest Payment Date (herein called "**Defaulted Interest**") shall forthwith cease to be payable to the Registered Owner on the relevant Record Date solely by virtue of such Registered Owner having been such Registered Owner; and such Defaulted Interest may be paid by the Authority, at its election, in each case, as provided in subsection (i) or (ii) below:

(i) The Authority may elect to make payment of any Defaulted Interest on the Bonds to the persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Authority shall notify the Bond Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Bond Trustee to comply with the next sentence hereof), and at the same time the Authority shall deposit or cause to be deposited with the Bond Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Bond Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this subsection provided. Thereupon the Bond Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than ten days after the receipt by the Bond Trustee of the notice of the proposed payment. The Bond Trustee shall promptly notify the Authority and the University of such Special Record Date and, in the name and at the expense of the University, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Registered Owner at his address as it appears in the Registration Books not less than ten days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Bonds (or their respective

Predecessor Bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following subsection (ii).

(ii) The Authority may make payment of any Defaulted Interest on the Bonds in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the Authority to the Bond Trustee of the proposed payment pursuant to this subsection, such payment shall be deemed practicable by the Bond Trustee.

Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

Notwithstanding any other provision of this Indenture to the contrary, so long as any of the Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the letter agreement entered into with DTC.

Section 204. Execution. The Bonds are to be executed on behalf of the Authority by the manual or facsimile signature of its Executive Director, and have imprinted or impressed on them the seal of the Authority.

Upon the transfer, exchange or replacement of any Bond pursuant to Section 209 or 210 or upon the partial redemption of any Bond the Authority agrees that it will execute or cause to be executed and delivered to the Bond Trustee such number of any new Bonds as may be necessary for such purpose.

The signature of the person who was the incumbent of his position at the time the Bonds were originally signed and issued is valid and sufficient for all purposes even though that person is not the incumbent of such position on the date of the Bonds or on the date any Bonds are delivered.

Section 205. Limited Obligation. Payment of the principal of, premium, if any, and interest on the Bonds is a limited obligation of the Authority payable solely out of the Trust Estate which includes the Revenues including the Loan Repayments.

The Bonds are a valid claim of the Registered Owners only against the Trust Estate held by the Bond Trustee which includes the Revenues (including without limitation the Loan Repayments). The Bond Trustee agrees to hold the Trust Estate and apply the Revenues only as provided in this Indenture.

THE BONDS SHALL BE LIMITED OBLIGATIONS OF THE AUTHORITY. THE BONDS AND THE INTEREST THEREON AND REDEMPTION PREMIUM, IF ANY, SHALL NOT BE DEEMED TO CONSTITUTE OR CREATE A DEBT OR LIABILITY OF THE AUTHORITY OR THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE (OTHER THAN ARTICLE X, SECTION 13(9) OF THE STATE CONSTITUTION PERMITTING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUES DERIVED OTHER THAN FROM A TAX OR LICENSE) OR A PLEDGE OF THE FAITH AND CREDIT OF THE AUTHORITY OR THE STATE OR OF ANY SUCH POLITICAL SUBDIVISION THEREOF. NEITHER THE STATE NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE BONDS OR THE INTEREST THEREON EXCEPT FROM AMOUNTS TO BE PAID BY OR ON BEHALF OF THE UNIVERSITY PURSUANT TO THE LOAN

AGREEMENT. NEITHER THE FAITH AND CREDIT OF THE AUTHORITY OR THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS. THE BONDS SHALL BE PAYABLE SOLELY FROM AND SECURED BY THE REVENUES AND THE OTHER ITEMS COMPRISING THE TRUST ESTATE, ALL AS DESCRIBED IN AND SUBJECT TO LIMITATIONS SET FORTH IN THIS INDENTURE, FOR THE EQUAL AND RATABLE BENEFIT OF THE OWNERS, FROM TIME TO TIME, OF THE BONDS. THE BONDS CONSTITUTE AN INDEBTEDNESS PAYABLE ONLY FROM A REVENUE-PRODUCING PROJECT OR SPECIAL SOURCE WITHIN THE MEANING OF ARTICLE X, SECTION 13(9) OF THE CONSTITUTION OF THE STATE, WHICH SOURCE OF PAYMENT DOES NOT INCLUDE REVENUES FROM ANY TAX OR LICENSE. THE BONDS AND THE INTEREST AND ANY PREMIUM, IF ANY, THEREON DO NOT AND SHALL NEVER CONSTITUTE AN OBLIGATION OR INDEBTEDNESS OF THE AUTHORITY OR OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION (OTHER THAN ARTICLE X, SECTION 13(9) OF THE STATE CONSTITUTION PERMITTING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUES DERIVED OTHER THAN FROM A TAX OR LICENSE) AND DO NOT AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE AUTHORITY OR OF THE STATE OR ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE OR A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY OR THE STATE OR ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE OR THE TAXING POWERS OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENT OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. NO OWNER OF ANY BOND SHALL HAVE THE RIGHT TO DEMAND PAYMENT OF THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON ANY BOND FROM ANY FUNDS RAISED BY TAXATION.

Section 206. Authentication. No Bond is valid or entitled to any security or benefit under this Indenture unless a certificate of authentication on the Bond, substantially in the form set forth in *Exhibit A*, has been signed by the Bond Trustee. An executed certificate of authentication on any Bond is conclusive evidence that the Bond has been authenticated and delivered under this Indenture. The Bond Trustee's certificate of authentication is to be signed by an authorized signatory of the Bond Trustee. It is not necessary that the same person sign the certificate of authentication on all of the Bonds.

Section 207. Form of Bonds. The Bonds issued under this Indenture are to be substantially in the form set forth in *Exhibit A* with variations, omissions and insertions as are permitted or required by this Indenture or deemed necessary by the Bond Trustee. The Bonds may be printed, engraved or typewritten.

Section 208. Delivery of Bonds. Upon the execution and delivery of this Indenture, the Authority will execute and deliver the Bonds to the Bond Trustee and the Bond Trustee will authenticate and deliver the Bonds to the Underwriter as directed in writing by the Authority.

Prior to the authentication and delivery of the Bonds by the Bond Trustee, the following documents must be delivered to the Bond Trustee:

- (a) a copy, certified by the Executive Director of the Authority, of the Authorizing Resolution,

(b) a copy, certified by the Secretary of the University, of the resolutions of the Board of Trustees of the University authorizing the execution and delivery of the Loan Agreement and the Bond Purchase Agreement, an original executed counterpart of the Loan Agreement and this Indenture, and

(c) an Officer's Certificate of the Authority requesting, directing and authorizing the Bond Trustee to authenticate the Bonds and to deliver them to the Underwriter in exchange for payment to the Bond Trustee for the account of the Authority of the purchase price specified in the Officer's Certificate, which amount, upon receipt, the Bond Trustee agrees to deposit as provided in Article V.

Section 209. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bonds are mutilated, lost, stolen or destroyed, the Authority agrees to execute as provided in Section 204 and the Bond Trustee agrees to authenticate and deliver new Bonds of like form, date, maturity and denomination as those mutilated, lost, stolen or destroyed. In the case of a mutilated Bond, the mutilated Bond must be surrendered to the Bond Trustee in exchange for the new Bond. In the case of a lost, stolen or destroyed Bond, there must be furnished to the Bond Trustee evidence of the loss, theft or destruction satisfactory to the Bond Trustee and indemnity satisfactory to the Bond Trustee before the new Bonds are delivered. If any mutilated, lost, stolen or destroyed Bond has matured the Bond Trustee, upon the surrender of a mutilated Bond or upon receipt of the evidence and indemnity referred to above in the case of a lost, stolen or destroyed Bond, may pay the Bond instead of issuing a replacement. The Authority and the Bond Trustee may charge the Registered Owner of a mutilated, lost, stolen or destroyed Bond with their reasonable fees and expenses in this connection.

Any new Bond issued under the provisions of this Section which replaces a mutilated, lost, stolen or destroyed Bond constitutes an original contractual obligation of the Authority and is entitled to the benefits and is subject to the restriction of this Indenture to the same extent as the Bond replaced.

Section 210. Registration, Transfer and Exchange of Bonds; Book-Entry System. The Bonds will be issued only in Book-Entry Form unless and until the Book-Entry System is discontinued as provided below. DTC is hereby appointed the initial Depository for the Bonds. For so long as DTC is the Depository, all Bonds will be registered in the name of "CEDE & CO." as the nominee of DTC.

While the Bonds are in a Book-Entry System, the Bonds are issuable only as fully registered bonds, registered in the name of the Depository which will be considered the Registered Owner for all purposes of this Indenture including, without limitation, receipt of the principal of, premium, if any, and interest on the Bonds, the receipt of notices and the exercise of the rights of the Registered Owners. A single Bond for each maturity will be issued which will be immobilized in the custody of the Depository. The Beneficial Owners have no right to receive the Bonds in the form of physical securities or certificates. Ownership of beneficial interests in the Bonds will be shown by book entry on the Book-Entry System maintained and operated by the Depository and its Participants, and transfer of the ownership of beneficial interests will be made only by the Depository and its Participants, by book entry, the Authority having no responsibility therefor. The Depository is expected to maintain records of the positions of Participants in the Bonds, and the Participants and Persons acting through Participants are expected to maintain records of the purchasers of beneficial interests in the Bonds. The Bonds are not transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the Bond Trustee.

If any Depository determines not to continue to act as a Depository for the Bonds in a Book-Entry System, the Bond Trustee agrees to attempt to establish a securities depository/book-entry system with another qualified Depository under this Indenture. If the Bond Trustee does not or is unable to do so, the Authority and the Bond Trustee, after making provision for notification to the Beneficial Owners by the then Depository, will discontinue the Book-Entry System. In addition, the Bond Trustee will discontinue

the Book-Entry System upon the written direction of the University. If the Book-Entry System is discontinued, the Bond Trustee will authenticate and deliver Bond certificates in fully registered form (in Authorized Denominations) to the assigns of the Depository or its nominee, all at the cost and expense (including costs of printing definitive Bonds) of the University.

Subject to the foregoing provisions for a Book-Entry System, the Bond Trustee is appointed, and accepts its appointment as, the bond registrar of the Authority for the purpose of registering, transferring, exchanging and replacing Bonds. The Bond Trustee agrees to keep the Registration Books. At reasonable times and under reasonable regulations established by the Bond Trustee, the Registration Books may be inspected and copied by the Authority, the University or the holders of 25% or more in principal amount of the Bonds then Outstanding or a designated representative of any of them, the ownership and the authority of any designated representative to be evidenced to the satisfaction of the Bond Trustee.

When the Bonds are not in a Book-Entry System, any Bond may be transferred upon its presentation at the Principal Office of the Bond Trustee if it has been duly endorsed for transfer or is accompanied by a written instrument of transfer satisfactory to the Bond Trustee which has been executed by the Registered Owner or on its behalf by a duly authorized attorney. The Bond Trustee will transfer any Bond so presented by making an appropriate entry in the Registration Books and delivering to the transferee(s) one or more new Bonds which have been executed and delivered by the Authority, have been authenticated by the Bond Trustee, are in an Authorized Denomination and have the same form, terms, interest rate, maturity and aggregate principal amount as the Bond being transferred.

When the Bonds are not in a Book-Entry System, Bonds may be exchanged for other Bonds by surrendering the Bonds to be exchanged at the Principal Office of the Bond Trustee. The Bond Trustee will exchange any Bond so presented by making an appropriate entry in the Registration Books and delivering to the Registered Owner presenting the Bonds for exchange one or more new Bonds which have been executed by the Authority, have been authenticated by the Bond Trustee, are in an Authorized Denomination and have the same form, terms, interest rate, maturity and aggregate principal amount as the Bond being exchanged.

The Authority agrees to execute as provided in Section 204 and deliver to the Bond Trustee and the Bond Trustee agrees to authenticate and deliver to the person entitled to deliver the Bonds which the Registered Owner requesting the transfer or exchange is entitled to receive. The Registered Owner requesting any transfer or exchange of any Bonds must pay, as a condition to the transfer or exchange, any resulting tax or other governmental charge.

The Bond Trustee is not required to register, transfer, exchange or replace any Bonds (a) during the ten-day period immediately preceding the first mailing or publication of a notice of redemption with respect to any Bonds of a particular maturity, or (b) after a Bond has been called for redemption.

Section 211. Destruction of Bonds.

(a) Any Outstanding Bonds delivered to the Bond Trustee (i) for cancellation pursuant to Section 211(b) or as otherwise provided in this Indenture, (ii) for transfer, exchange or replacement pursuant to Section 209 or 210, or (iii) for redemption and which have been redeemed will be promptly canceled and destroyed by the Bond Trustee. Counterparts of a certificate of destruction or other writing evidencing any destruction under this Section will be furnished by the Bond Trustee to the Authority and the University promptly upon request.

(b) An acquisition of Bonds by the University for its own account does not operate as a redemption or satisfaction of the indebtedness represented by the acquired Bonds unless and until they are delivered to the Bond Trustee by the University for cancellation. The University has the option at any time and from time to time to deliver Bonds owned by it to the Bond Trustee for cancellation.

Section 212. Temporary Bonds. Pending the preparation of definitive Bonds, the Authority may execute and the Bond Trustee may authenticate and deliver temporary Bonds which are typewritten and copied or otherwise reproduced and are substantially in the form provided in *Exhibit A*. If temporary Bonds are issued, the Bond Trustee will have definitive Bonds prepared without unreasonable delay. When definitive Bonds are available, the temporary Bonds are exchangeable for definitive Bonds without charge upon surrender of the temporary Bonds at the Principal Office of the Bond Trustee. Upon surrender for cancellation of any temporary Bonds, the Authority will execute and the Bond Trustee will authenticate and deliver in exchange for the temporary Bonds a like principal amount of definitive Bonds of Authorized Denominations. Until exchanged, the temporary Bonds are entitled to the same benefits under this Indenture as definitive Bonds and the principal of, premium, if any, and interest on the Bonds, when and as payable, will be paid to the Registered Owners of the temporary Bonds.

Section 213. Registered Owners Treated as Owners. The Authority and the Bond Trustee may treat the Registered Owner of any Bond as its absolute owner (whether or not the Bond is overdue) for all purposes other than for the purpose of receiving payments of interest due on the Bonds and may deem and treat the Registered Owner of any Bond as of the immediately preceding Record Date as the absolute owner or each Bond for the purpose of receiving payments of interest on the Bonds. Neither the Authority nor the Bond Trustee shall be affected by any notice to the contrary.

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY

Section 301. Redemption Generally. The Bonds may not be redeemed prior to their maturity except as provided in this Article.

Section 302. Events Permitting or Requiring Redemption of the Bonds. The Bonds are callable for redemption upon the occurrence of any of the events, at the times, in the manner at the redemption prices as follows:

(a) *Optional Redemption.* The Bonds are callable for redemption in whole or in part (consistent with the provisions of Section 505(d)) at any time on or after April 1, 20[], upon the exercise by the University of its option to prepay the Loan as provided in the Loan Agreement and shall be redeemed at the redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus interest accrued to (but not including) the redemption date.

(b) *No Mandatory Sinking Fund Redemption.* The Bonds are not subject to mandatory sinking fund redemption prior to maturity.

Section 303. Election to Redeem and Notice to Bond Trustee; Redemption Notice.

(a) In case of any redemption pursuant to the provisions of Section 302(a), the University shall, at least five days prior to the date that notice of redemption is required to be given by the Bond Trustee under subparagraph (b) below (unless a shorter notice shall be satisfactory to the Bond Trustee), notify the Bond Trustee in writing of such redemption date and of the principal amount of Bonds to be redeemed.

(b) At least 30 days, but not more than 60 days before the redemption date of any Bonds, whether such redemption is in whole or in part, the Bond Trustee shall cause a notice of any such redemption signed by the Bond Trustee to be mailed by first-class mail, postage prepaid, to all Registered Owners owning Bonds to be redeemed in whole or in part. Failure to mail any such notice to any Registered Owners or any defect in any notice so mailed shall not affect the validity of the proceedings for the redemption of the Bonds of any other Registered Owners. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid, and, if less than all of the Bonds then Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued.

(c) With respect to notice of any optional redemption of the Bonds pursuant to Section 302(a), the notice shall describe whether such notice is conditional and shall list the conditions under which the call for redemption shall be revoked.

Section 304. Effect of Calling for Redemption. On or before the date fixed for redemption, moneys or Defeasance Obligations shall be deposited with the Bond Trustee to pay the principal of and the premium, if any, and interest accruing thereon to the redemption date of the Bonds called for redemption.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If money or Defeasance Obligations, or a combination of both, sufficient to pay the redemption price of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the Bond Trustee in trust for the Registered Owners of Bonds to be redeemed, interest on the Bonds called for redemption shall cease to accrue; such Bonds shall cease to be entitled to any benefits or security under this Indenture or to be deemed Outstanding; and the Registered Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption. Bonds and portions of Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption at the redemption date have been given to the Bond Trustee in form satisfactory to it shall not thereafter be deemed to be Outstanding under this Indenture and shall cease to be entitled to the security of or any rights under this Indenture, other than rights to receive payment of the redemption price thereof and accrued interest thereon to the date of redemption, to be given notice of redemption in the manner provided in Section 303, and, to the extent hereinafter provided, to receive Bonds for any unredeemed portions of Bonds if money or Defeasance Obligations, or a combination of both, sufficient to pay the redemption price of such Bonds or portions thereof, together with accrued interest thereon to the date upon which such Bonds are to be paid or redeemed, are held in separate accounts by the Bond Trustee in trust for the holders of such Bonds. In effecting any redemption, the Authority and the Bond Trustee shall comply with the applicable provisions of Article VII to the extent the same can be made applicable thereto.

Section 305. Redemption of Portion of Bonds.

(a) If a portion of an Outstanding Bond shall be selected for redemption, the Registered Owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Trustee for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the Authority shall execute and the Bond Trustee shall authenticate and deliver to or upon the order of such Registered Owner or his legal representative, without charge therefor,

for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond of the same maturity and bearing interest at the same rate.

(b) If less than all of the Bonds are to be redeemed, any maturity or maturities of Bonds to be redeemed shall be selected by the Bond Trustee at the written direction of the University. The Bonds shall be redeemed only in whole multiples of \$5,000. If less than all of the Bonds within a maturity selected at the written direction of the University are to be called for any redemption, the Bonds (or portions thereof) within that maturity to be redeemed shall be selected (i) so long as a Book-Entry System is used for determining Beneficial Owners of the Bonds, by the Depository and its Participants in accordance with the procedures for the Book-Entry System, or (ii) if a Book-Entry System is not then being used, by the Bond Trustee by lot in such manner as the Bond Trustee may determine. The Bond Trustee may provide for the selection for redemption of portions of the principal of Bonds of a denomination larger than the minimum Authorized Denomination. The portions of the principal of Bonds so selected for partial redemption shall be equal to the smallest Authorized Denomination of the Bonds or a multiple thereof.

(c) For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

Section 306. Cancellation. Bonds so redeemed, presented and surrendered shall be canceled upon the surrender thereof.

Section 307. Use of Defeasance Obligations to Redeem Bonds. For purposes of all Sections in this Article, Defeasance Obligations shall be deemed to be sufficient to redeem Bonds on a specified date if the principal of and the interest on such Defeasance Obligations, when due, will be sufficient to pay on such date the redemption price of, and the interest accruing on, such Bonds to such date.

Section 308. Revocation of Redemption Notice. Notwithstanding any other provision of this Indenture, if, on any day prior to the fifth Business Day preceding any date fixed for redemption of Bonds pursuant to Section 302(a), the Authorized University Representative notifies the Bond Trustee in writing that the University has elected to revoke its election to redeem such Bonds because it has determined that the source of money for such redemption is not available, the Bonds shall not be redeemed on such date and any notice of redemption mailed to the Registered Owners pursuant to Section 303 shall be null and void. In such event, within five Business Days after the date on which the Bond Trustee receives notice of such revocation, the Bond Trustee shall cause a notice of such revocation signed by the Bond Trustee to be mailed to all Registered Owners owning such Bonds.

ARTICLE IV

GENERAL COVENANTS

Section 401. Authority's Covenants. The Authority covenants that:

(a) it will promptly pay from the Bond Fund, but solely from the Revenues available therein, the principal of, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates, from the sources and in the manner provided in this Indenture and in the Bonds,

(b) it will perform its obligations under the Loan Agreement, this Indenture, any Bonds executed, authenticated and delivered under this Indenture and all of its proceedings relating to the issuance of the Bonds,

(c) it is duly authorized under the Constitution and laws of the State, including without limitation the Act, to issue the Bonds, to execute this Indenture and to pledge and assign the property described in this Indenture and its rights under the Loan Agreement in the manner and to the extent set forth in this Indenture,

(d) all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been effectively taken,

(e) it will defend its interest in the Loan Agreement to the Bond Trustee for the benefit of the Registered Owners against the claims and demands of all persons,

(f) so long as any of the Bonds are Outstanding it will deposit, or cause to be paid to the Bond Trustee for deposit in the Bond Fund for its account, but solely from the Revenues, amounts to promptly pay the principal of, premium, if any, and interest on the Bonds as it becomes due and payable,

(g) should there be a Default or an Event of Default under the Loan Agreement, it will fully cooperate with the Bond Trustee and with the Registered Owners to the end of fully protecting the rights and security of the Registered Owners,

(h) it will execute any financing statements and other security instruments relating to security for the Bonds (if applicable) and will cooperate with the Bond Trustee in the recording and filing of them in the manner and in places as may be required by law (if applicable) in order to fully preserve and protect the security of the Registered Owners and the rights of the Bond Trustee and to perfect the security interest and lien created by this Indenture, and

(i) all books and documents in its possession relating to the Project and the Revenues will be open to inspection by the Bond Trustee, the University or the agents designated by either of them from time to time.

Section 402. Rights Under Loan Agreement. The Loan Agreement, an executed counterpart of which has been filed with the Bond Trustee, sets forth the covenants and obligations of the Authority and the University. The Authority agrees that the Bond Trustee in its name or in the name of the Authority may enforce all rights of the Authority, other than the Unassigned Rights, subject to the last sentence of Section 3.6 of the Loan Agreement, and all obligations of the University under the Loan Agreement on behalf of the Registered Owners, whether or not the Authority is in default under this Indenture or the Loan Agreement.

Section 403. Designation of Additional Paying Agents. The Authority agrees that it will, as necessary, make arrangements through the Bond Trustee for the designation of alternate paying agents and for making funds available under this Indenture for the payment of the Bonds by any alternate paying agents.

ARTICLE V

REVENUES AND FUNDS

Section 501. Application of Bond Proceeds. The Underwriter has purchased the Bonds for a price of \$[•] (the “*Purchase Proceeds*”) which is the \$[Par] original principal amount thereof, plus net original issue premium of \$[•], and less the Underwriters’ discount of \$[•]. The Authority agrees to deposit

the Purchase Proceeds with the Bond Trustee and, upon receipt, the Bond Trustee agrees to apply the Purchase Proceeds as follows:

(a) \$[•] of the Purchase Proceeds will be deposited in the Issuing Expenses Account of the Project Fund; and

(b) \$[•], the balance of the Purchase Proceeds, will be deposited in the Project Account of the Project Fund.

Section 502. Creation of the Bond Fund. There is created by this Section by the Authority and established with the Bond Trustee a trust fund designated the “Furman University Bond Fund, Series 2024” (the “*Bond Fund*”). Within the Bond Fund are created the following accounts:

- (a) the Principal Account,
- (b) the Interest Account,
- (c) the Excess Funds Account, and
- (d) the Prepayment Account.

Amounts on deposit in the Bond Fund are to be used as provided in Section 504 and otherwise in accordance with this Indenture.

Section 503. Creation of the Project Fund. There is created by this Section by the Authority and established with the Bond Trustee a trust fund designated the “Furman University Project Fund, Series 2024” (the “*Project Fund*”), Within the Project Fund are created the following accounts:

- (a) the Project Account, and
- (b) the Issuing Expenses Account.

Amounts on deposit in the Project Fund are to be used as provided in Article IV of the Loan Agreement and otherwise in accordance with this Indenture.

Section 504. Payments into the Bond Fund. The Bond Trustee will, upon receipt, deposit the following amounts in the designated accounts of the Bond Fund:

(a) all payments specified in Sections 3.3 of the Loan Agreement attributable to interest and principal, respectively, on the Bonds will be deposited in the Interest Account and the Principal Account, respectively,

(b) any amount in the Project Account or the Issuing Expenses Account which Section 4.1 of the Loan Agreement or Section 508 requires to be paid into the Excess Funds Account will be deposited in the Excess Funds Account or, if directed by the University in writing, to the Principal Account or Prepayment Account as provided in Section 505 herein,

(c) all amounts received from the University that represent a prepayment of the principal of the Loan permitted by Article VI of the Loan Agreement that are permitted to be used to redeem Bonds by

Article III of this Indenture and any premium required in connection with any prepayment or redemption will be deposited in the Prepayment Account,

(d) such amounts as disbursed from the Project Fund pursuant to Section 4.3 of the Loan Agreement representing capitalized interest coming due on the Bonds will be deposited in the Interest Account,

(e) all amounts that are required or permitted by other provisions of this Indenture to be transferred to an account of the Bond Fund will be deposited in the accounts designated, and

(f) all other money received by the Bond Trustee under the Loan Agreement or this Indenture which are required or which are accompanied with written instructions that they be deposited into an account of the Bond Fund will be deposited into the accounts designated.

Section 505. Use of Money in the Bond Fund.

(a) Except as otherwise provided in this Indenture, money in the Principal Account will be used solely (i) for the payment of the principal of the Bonds as it becomes due, whether at maturity, redemption, acceleration or otherwise, and (ii) for the redemption of Bonds from amounts transferred to the Principal Account from the Prepayment Account. The Authority authorizes and directs the Bond Trustee to withdraw sufficient funds from the Principal Account to pay the principal of, and premium, if any, on the Bonds as it becomes due whether at maturity, redemption, acceleration or otherwise. The Bond Trustee agrees to do so.

(b) Except as otherwise provided in this Indenture, money in the Interest Account will be used solely for the payment of the interest on the Bonds as it becomes due. The Authority authorizes and directs the Bond Trustee to withdraw sufficient funds from the Interest Account to pay the interest on the Bonds as it comes due. The Bond Trustee agrees to do so.

(c) The Authority authorizes and directs the Bond Trustee to transfer Excess Funds from the Excess Funds Account to the Principal Account and to apply those amounts to the payment of a portion of the principal due on the Bonds on each date on which any Bonds mature or are redeemed. Amounts on deposit in the Excess Funds Account may also be applied in any other manner directed, in writing, by the University if the University's directions are accompanied by an Opinion of Bond Counsel to the effect that such application is not in contravention of any provision of this Indenture or the Loan Agreement and that such alternate application will not adversely affect the validity of the Bonds or cause an Event of Taxability to occur.

(d) Money in the Prepayment Account will be used first to make up any deficiencies existing in the Interest Account and Principal Account (in that order) and second for the payment of the principal of and premium, if any, and interest on Bonds called for redemption as provided in Section 302 hereof provided that not less than \$50,000 principal amount of Bonds shall be called for redemption at any one time. The Authority authorizes and directs the Bond Trustee to transfer to the Principal Account (as to payments or principal of and premium, if any, on the Bonds) and to the Interest Account (as to payments of interest on the Bonds) amounts on deposit in the Prepayment Account one Business Day prior to the day it is needed for that purpose. Money on deposit in the Prepayment Account which is not needed to pay the principal of or premium if any, or interest on Bonds called for redemption may be used by the Bond Trustee to purchase Bonds in the open market for cancellation if the Bond Trustee is requested and directed in writing by the University to do so.

(e) Whenever the amount in the Bond Fund from any source is sufficient to pay the principal of the Bonds and unpaid interest which has accrued on such Bonds or will accrue to the date such Bonds are to be redeemed and any redemption premiums on all the Bonds then Outstanding, and is available for that purpose, the Bond Trustee, upon the written request of the University, is instructed and agrees to take or cause to be taken the necessary steps to pay or redeem all of the Bonds then Outstanding on the next date on which all of the Bonds may be paid or redeemed and for which the required redemption notice may be given.

(f) If (i) on any date on which a payment from the Principal Account or the Interest Account is due there is not enough money in the Principal Account or the Interest Account to make all of the payments then required to be made from the Principal Account or the Interest Account, or (ii) a Default or an Event of Default has occurred and is continuing then, subject to paragraph (d) above, money in any account of the Bond Fund may be immediately or from time to time thereafter transferred to any other account in the Bond Fund which the Bond Trustee determines to be needed for application as provided in Section 804.

Section 506. Payments into the Project Fund. Initial deposits to the Issuing Expenses Account and to the Project Account will be made as described in Section 501.

Section 507. Use of Money in the Project Fund.

(a) Money in the Issuing Expenses Account will be used to pay Issuing Expenses or to reimburse the University for Issuing Expenses actually paid by it. No money on deposit in any fund or account created by this Indenture will be used to pay Issuing Expenses other than money on deposit in the Issuing Expenses Account. The Authority authorizes and directs the Bond Trustee to withdraw sufficient funds from the Issuing Expenses Account to fund each disbursement required to be made for Issuing Expenses by Section 4.3 of the Loan Agreement. Upon receipt by the Bond Trustee of an Officer's Certificate to the effect that all Issuing Expenses have been paid and that the University has been reimbursed for all Issuing Expenses paid by it, amounts then on deposit in the Issuing Expenses Account will be transferred to the Project Account and applied as other amounts on deposit in the Project Account would be applied. The Bond Trustee has no duty or obligation to determine whether or not any such requested disbursements constitute Issuing Expenses.

(b) Money in the Project Account will be used to pay Project Costs or to reimburse the University for Project Costs actually paid by it, including, but not limited to, interest on the Bonds accrued through the completion of and to the extent allocable to the various portions of the Project. The Authority authorizes and directs the Bond Trustee to withdraw sufficient funds from the Project Account to fund each disbursement required to be made by Section 4.3 of the Loan Agreement. Unless otherwise directed, in writing, by the University as permitted under Section 508 herein, upon the Project Account Closeout Date, amounts on deposit in the Project Account or deposited in the Project Account on any date thereafter will be transferred to the Excess Funds Account. The Bond Trustee has no duty or obligation to determine whether or not any such requested disbursements constitute Project Costs.

(c) Upon the occurrence of an Event of Default and an acceleration of the outstanding Bonds, money in any account of the Project Fund may be immediately or from time to time thereafter transferred to the account in the Bond Fund which the Bond Trustee determines to be needed for application as provided in Section 804.

(d) The Bond Trustee agrees to keep accurate records pertaining to each deposit into, and withdrawal from, each of the accounts in the Project Fund. After the Project Account Closeout Date, the

Bond Trustee agrees to file an accounting for the Project Fund with the University and, upon the Authority's written request, with the Authority.

Section 508. Project Account Closeout Date. Upon the Project Account Closeout Date, the Bond Trustee is authorized as directed by the University, in writing, to promptly transfer to the Excess Funds Account, the Principal Account or the Prepayment Account any Excess Funds then on deposit in the Project Account.

Section 509. Nonpresentment of Bonds. If funds sufficient to pay the principal of any Bond when due (whether at maturity, redemption, acceleration or otherwise) are on deposit with the Bond Trustee and the Bond is not presented to the Bond Trustee for payment then all liability of the Authority to the Registered Owner for the payment of the Bond is completely discharged. The Bond Trustee agrees to hold the funds on deposit for any Bonds that have not been presented when due, but without liability for interest, solely for the benefit of the Registered Owners of those Bonds. Thereafter and prior to the transfer provided for in the succeeding paragraph, the sole claim that any Registered Owner who does not present its Bonds for payment when due has for the payment of its Bonds is to receive the funds held for its Bonds by the Bond Trustee. Any money held by the Bond Trustee under this Section 509 which remains unclaimed by the Registered Owners entitled to it for a period of one year after the date on which those Bonds became due shall, upon the written request of the University accompanied by an Opinion of Counsel as to the legality of the same, be paid to the University upon its written request or, if required by law, to the officer, board or body as may then be entitled by law to receive it. Thereafter, the Registered Owners of the Bonds not presented for payment may look only to the holder of those funds for the payment of its Bonds and may not look to the Bond Trustee for payment of its Bonds and the Bond Trustee has no responsibility with respect to the money transferred or the unrepresented Bonds.

Section 510. Payments to the University from the Bond Fund. Any amounts remaining in the Bond Fund after payment of all the Bonds will be applied first to the payment of any other fees and expenses due hereunder and then to the University.

Section 511. Funds Held in Trust. All money held in any of the Indenture Funds is held in trust in the custody of the Bond Trustee subject to the provisions of this Indenture which permit their disbursement for specified purposes. All money and securities held in Indenture Funds are subject to the first lien of this Indenture and are not subject to any lien, attachment, garnishment or other claims or proceedings by other creditors of the University, the Authority or any third party.

ARTICLE VI

INVESTMENTS

Section 601. Investments Generally. Subject to this Article, specifically including Section 603, the Bond Trustee agrees to continuously invest and reinvest money on deposit in the Indenture Funds in Qualified Investments as directed in writing by the University according to Section 5.9 of the Loan Agreement. If at any time an investment by the Bond Trustee in a Qualified Investment ceases to be a Qualified Investment as defined herein, the Bond Trustee shall be so informed in writing by the University and such investment shall be sold or liquidated. If the Bond Trustee has not received a written investment direction from the University with respect to any amounts held by the Bond Trustee, the Bond Trustee shall hold such amounts uninvested in cash, without liability for interest. The Bond Trustee shall be fully protected in relying on the written investment directions it receives from the University as to the legality and suitability of such directed investments. Investments made with money on deposit in the Indenture

Funds may be made by the Bond Trustee through its own bank investment department and (a) will have maturities or be readily marketable prior to maturity in the amounts and not later than the dates as may be necessary to provide funds for the purpose for which the money in any account is to be used, (b) will be held by or under the control of the Bond Trustee, (c) will at all times be considered a part of the account for whose benefit the investment was made, (d) will have any loss attributable to them charged to the account for whose benefit the investment was made, (e) in the case of the Interest Account and the Principal Account, will have any interest or profit derived from them applied as provided in Section 3.4 of the Loan Agreement, (f) in the case of the Excess Funds Account and Prepayment Account, will have any interest or profit derived from them retained in the Account in which the investment was made until applied as other amounts on deposit in the Account will be applied, (g) in the case of the Issuing Expenses Account, will have any interest or profit derived from them credited to the Project Account until the portion of the Project to be financed from the Project Account has been completed and thereafter to the Principal Account, (h) in the case of the Project Account, will have any interest or profit derived from them retained in the Project Account, and (i) in all other cases, will have any interest or profit derived from them retained in the fund or account thereof from which the investment was made.

The Authority and the University acknowledge that regulations of the Comptroller of the Currency grant the Authority and the University the right to receive brokerage confirmations of security transactions as they occur. The Authority and the University specifically waive such right to notification to the extent permitted by law and acknowledge that they will receive periodic transaction statements from the Bond Trustee that will detail all investment transactions.

Notwithstanding anything contained herein to the contrary, the Bond Trustee shall have no obligation to enter into any repurchase agreement, investment agreement or any similar agreements with respect to the investment of any monies held under this Indenture unless (i) such agreement is in form and content acceptable to the Trustee in its sole discretion, (ii) any liability of the Bond Trustee under such agreement is limited to loss occasioned by the gross negligence or willful misconduct of the Bond Trustee, and (iii) the University shall pay to the Bond Trustee an additional fee established by the Bond Trustee in accordance with its customary practices.

Section 602. Arbitrage. The Authority agrees for the benefit of the Registered Owners that it will not direct the Bond Trustee to use proceeds derived from the issuance and sale of the Bonds in a manner which will cause the Bonds to be classified as Arbitrage Bonds.

Section 603. Records Relating to Investments. The Bond Trustee agrees to keep accurate records with respect to its investment and reinvestment of any money it holds in any of the Indenture Funds. For purposes of this Section, accurate records with respect to investments will include (a) purchase price, (b) purchase date, (c) type of investment, (d) accrued interest paid, (e) interest rate, if applicable, (f) principal amount, (g) maturity date, (h) interest payment date, if applicable, (i) date of liquidation, (j) receipt upon liquidation, and (k) such other information as is reasonably requested by the Authority.

ARTICLE VII

DISCHARGE OF INDENTURE

Section 701. Discharge. This Indenture and the estate and rights granted hereby shall cease, determine and be void if:

(a) the Authority and the University have performed all of their obligations under the Loan Agreement and this Indenture relating to the Loan and the Bonds,

(b) all Bond Trustee's Expenses and the expenses of any other paying agent which have accrued and will accrue through the final payment of the Bonds have been paid or arrangements satisfactory to the Bond Trustee for their payment have been made,

(c) all Authority's Expenses which have accrued and will accrue through the final payment of the Bonds have been paid or arrangements satisfactory to the Authority for their payment have been made,

(d) provision for the payment of all Outstanding Bonds has been made to the satisfaction of the Bond Trustee in one or more of the following ways:

(1) by paying or causing to be paid, when due, the principal of, premium, if any, and interest on all Outstanding Bonds,

(2) by depositing with the Bond Trustee, in trust in an irrevocable escrow, at or before maturity, cash in an amount sufficient to pay or redeem (when redeemable) all Outstanding Bonds including unpaid interest which has accrued on the Bonds and will accrue to the final payment or redemption of the Bonds and any redemption premium,

(3) by delivering to the Bond Trustee, for cancellation, all Outstanding Bonds,
or

(4) by depositing with the Bond Trustee, in trust in an irrevocable escrow, Defeasance Obligations which mature in an amount which will, together with the income or increment to accrue on them but without reinvestment, be sufficient to pay or redeem (when redeemable) all the Bonds at or before their maturity date, including interest which has accrued on the Bonds and will accrue to the final payment or redemption of the Bonds and any redemption premium,

(e) a notice of redemption has been given as required by Article III of this Indenture if any of the Bonds are to be redeemed before their maturity or if a notice of redemption cannot then be given as provided in Article III of this Indenture, then the University has given the Bond Trustee, in a form satisfactory to the Bond Trustee, irrevocable instructions to provide a notice of redemption to the Registered Owners of any Bonds to be redeemed in accordance with Article III when a notice of redemption can be timely given under this Indenture,

(f) the Bond Trustee (i) has been furnished with an Opinion of Bond Counsel to the effect that all actions required by Subsections (d) and (e) of this Section for the discharge of this Indenture have been taken and that the actions taken under this Article will not adversely affect the validity of the Bonds or cause an Event of Taxability with respect to the Bonds to occur, and (ii) has given notice to the Registered

Owners of the Bonds at the Registered Owner's Address of the actions taken under subsection (d) of this Section if the payment of the Bonds has been provided for under (d)(2) or (d)(4), and

(g) if the payment of the Bonds has been provided for under (d)(4), an opinion from a nationally recognized firm of accountants addressed to the Bond Trustee to the effect that the funds available or to be available in the escrow for the payment of the Bonds will be sufficient to pay the principal of, premium, if any, and interest on the Bonds.

On the occurrence of the events described in (a) through (g) above, the Bond Trustee is authorized and directed to (i) execute and deliver all appropriate instruments evidencing and acknowledging the satisfaction of this Indenture and the Loan Agreement, and (ii) assign and deliver to the University any money and investments in any Indenture Fund (except money or investments held by the Bond Trustee for the payment of the principal of, premium, if any, and interest on the Bonds).

Notwithstanding any other provision of this Indenture which may be contrary to the provisions of this Article, all money or Defeasance Obligations which are set aside and held in trust pursuant to the provisions of this Article for the payment of the principal of, premium, if any, and interest on the Bonds will be applied to and used solely for the payment of the principal of, premium, if any, and interest on the particular Bonds with respect to which it was so set aside in trust. The income derived from Defeasance Obligations held by the Bond Trustee under this Section which are not needed for the payment of the principal of, premium, if any, or interest on the Bonds is to be disposed of in a manner which, in the Opinion of Bond Counsel, will not adversely affect the validity of the Bonds or cause an Event of Taxability to occur.

Section 702. Partial Discharge. This Indenture and the estate and rights granted hereby shall cease, determine and be void with respect to some, but not all, of the Bonds (the "*Defeased Bonds*") if

(a) the Authority and the University have performed all of their obligations (i) under the Defeased Bonds, and (ii) under the Loan Agreement and this Indenture with respect to the Defeased Bonds,

(b) all Bond Trustee's Expenses and the expenses of any other paying agent with respect to the Defeased Bonds which have accrued and will accrue through the final payment of the Defeased Bonds have been paid or arrangements satisfactory to the Bond Trustee for their payment have been made,

(c) all Authority's Expenses with respect to the Defeased Bonds which have accrued and will accrue through the final payment of the Defeased Bonds have been paid or arrangements satisfactory to the Authority for their payment have been made,

(d) provision for the payment of all of the Defeased Bonds has been made to the satisfaction of the Bond Trustee in one or more of the following ways:

(1) by paying or causing to be paid, when due, the principal of, premium, if any, and interest on the Defeased Bonds,

(2) by depositing with the Bond Trustee, in trust, at or before maturity, cash in an amount sufficient to pay or redeem (when redeemable) the Defeased Bonds including unpaid interest which has accrued on the Defeased Bonds and will accrue to the final payment or redemption of the Defeased Bonds and any redemption premium,

(3) by delivering to the Bond Trustee, for cancellation, the Defeased Bonds,
or

(4) by depositing with the Bond Trustee, in trust, Defeasance Obligations which mature in an amount which will, together with the income or increment to accrue on them but without reinvestment, be sufficient to pay or redeem (when redeemable) all the Defeased Bonds at or before their respective maturity dates, including interest which has accrued on the Defeased Bonds and will accrue to the final payment or redemption of the Defeased Bonds and any redemption premium,

(e) a notice of redemption has been given as required by Article III of this Indenture if any of the Defeased Bonds are to be redeemed before their maturity or if a notice of redemption cannot then be given as provided in Article III of this Indenture, then the University has given the Bond Trustee, in a form satisfactory to the Bond Trustee, irrevocable instructions to provide a notice of redemption to the Registered Owners of any Defeased Bonds to be redeemed in accordance with Article III when a notice of redemption can be timely given under this Indenture,

(f) if the payment of the Defeased Bonds has been provided for under (d)(2) or (d)(4), the Bond Trustee (i) has been furnished with an Opinion of Bond Counsel to the effect that all actions required by Subsections (d) and (e) of this Section for the partial discharge of this Indenture have been taken and that the actions taken under this Article will not adversely affect the validity of the Bonds or cause an Event of Taxability to occur with respect to the Bonds, and (ii) has given notice to the Registered Owners of the Defeased Bonds at the Registered Owner's Address of the actions taken under subsection (d) of this Section, and

(g) if the payment of the Defeased Bonds has been provided for under (d)(4), an opinion from a nationally recognized firm of accountants to the effect that the funds available or to be available in the escrow for the payment of the Defeased Bonds will be sufficient to pay the principal of, premium, if any, and interest on the Defeased Bonds.

On the occurrence of the events described in (a) through (g) above, the Defeased Bonds are no longer entitled to any lien, benefit or security under this Indenture.

Notwithstanding any other provision of this Indenture which may be contrary to the provisions of this Article, all money, and Defeasance Obligations which are set aside and held in trust pursuant to the provisions of this Article for the payment of the principal of, premium, if any, and interest on Defeased Bonds will be applied to and used solely for the payment of the principal of, premium, if any, and interest on the Defeased Bonds. The income derived from Defeasance Obligations held by the Bond Trustee under this Section which are not needed for the payment of the principal of, premium, if any, or interest on the Defeased Bonds is to be disposed of in a manner which, in the Opinion of Bond Counsel, will not adversely affect the validity of the Bonds or cause an Event of Taxability to occur.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 801. Events of Default. The occurrence and continuance of any of the following events is an Event of Default under this Indenture:

(a) Failure to pay when due the principal of (whether at maturity, redemption, acceleration or otherwise), premium, if any, or interest on any Bond;

(b) Default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in this Indenture or any indenture supplemental hereto and such default shall continue for 30 days or such further time as may be granted in writing by the Bond Trustee after receipt by the Authority and the University, of a written notice from the Bond Trustee specifying such default and requiring the same to be remedied, provided, however, that if such performance requires work to be done, action to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such 30-day period or other period, no Event of Default shall be deemed to have occurred or to exist if, and so long as, the Authority or the University shall commence such performance within such period and shall diligently and continuously prosecute the same to completion; or

(c) The occurrence of any event of default as defined in Section 7.1 of the Loan Agreement and the continuation of that event of default from and after the date the Authority is entitled under the Loan Agreement to request that the Bond Trustee declare the Loan to be immediately due and payable.

Section 802. Acceleration and Other Remedies.

(a) Upon the occurrence of an Event of Default under this Indenture the Bond Trustee, upon receipt of a written direction from the owners of 25% of the principal amount of Bonds then Outstanding, shall by written notice to the Authority and the University, declare the principal of and accrued interest on the Bonds (if not then due and payable) to be due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding.

(b) Upon the occurrence of any Event of Default under this Indenture the Bond Trustee may take whatever action at law or in equity it deems necessary or desirable (i) to collect any amounts then due under this Indenture, the Bonds or the Loan Agreement, (ii) to enforce performance of any obligation, agreement or covenant of the Authority under this Indenture or the Bonds, or of the University under the Loan Agreement, or (iii) to otherwise enforce any of its rights.

(c) None of the remedies under this Indenture is exclusive of any other remedy or remedies. Each remedy given under this Indenture is cumulative and is in addition to every other remedy which is given or which now or hereafter exists at law, in equity or by statute.

(d) No delay or omission in the exercise of any right or power accruing upon an Event of Default impairs the right or power or is a waiver of or acquiescence in any Event of Default. Every right and power given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

(e) No waiver of any Event of Default extends to or affects any subsequent or other Event of Default or impairs any rights or remedies consequent thereon.

Section 803. Right To Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the Registered Owners of a majority in principal amount of the Bonds Outstanding have the right to direct the exercise of any rights or remedies under this Indenture or the Loan Agreement and the method and place of conducting all proceedings to be taken in connection with the enforcement of this Indenture or the Loan Agreement.

The directions of the Registered Owners of the Bonds under this Section are to be (a) contained in a request which is signed by the Registered Owners of a majority of the principal amount of the Bonds then Outstanding and delivered to the Bond Trustee, (b) in accordance with law and the provisions of this Indenture, and (c) accompanied with indemnification of the Bond Trustee as is provided in Section 901.

Section 804. Application of Proceeds.

(a) If the principal of all the Bonds is not due, whether by declaration by the Bond Trustee pursuant to Section 802 or otherwise, then any money received by the Authority or the Bond Trustee as a result of the exercise of one or more of the remedies granted by this Indenture or the Loan Agreement will be applied as follows:

FIRST: To fund any deficiency in the rebate obligation under Section 148 of the Code with respect to the Bonds if doing so will prevent the occurrence of an Event of Taxability.

SECOND: To the payment of any Bond Trustee's Expenses and the costs and expenses associated with the exercise of any remedy granted by this Indenture or the Loan Agreement, including reasonable compensation to the Bond Trustee and its attorneys and agents.

THIRD: To the payment of interest then due on the Bonds, in the order of the maturity of the payments of interest then due, and, if the amount available is not sufficient to pay in full any particular installment of interest, then to the payment of interest ratably, according to the amounts due, to the persons entitled to it without discrimination or privilege.

FOURTH: To the payment of principal and premium, if any, then due on the Bonds (other than Bonds called for redemption for the payment of which money is held pursuant to the provisions of this Indenture), in the order of the maturity of the payments of principal and premium then due, and, if the amount available is not sufficient to pay in full the Bonds due on any particular date then to their payment ratably, according to the amount of principal due, to the persons entitled to it without any discrimination or privilege.

FIFTH: To the payment of the costs and expenses associated with the exercise of any remedy granted by this Indenture or the Loan Agreement, including reasonable compensation to the Bond Trustee and its attorneys and agents, and then to the payment of any Authority's Expenses.

(b) If the principal of all the Bonds is due, whether by declaration by the Bond Trustee pursuant to Section 802 or otherwise, then any money received by the Authority or the Bond Trustee as a result of the exercise of one or more of the remedies granted by this Indenture or the Loan Agreement will be applied as follows:

FIRST: To fund any deficiency in the rebate obligation under Section 148 of the Code with respect to the Bonds if doing so will prevent the occurrence of an Event of Taxability.

SECOND: To the payment of any Bond Trustee's Expenses and the costs and expenses associated with the exercise of any remedy granted by this Indenture or the Loan Agreement, including reasonable compensation to the Authority, the Bond Trustee and either of their attorneys and agents.

THIRD: To the payment of the full amount of the principal of, premium, if any, and interest then due and unpaid on the Bonds. In the event money available for that purpose is insufficient to

pay the full amount due, then the money which is available for that purpose will be applied ratably, according to the aggregate of principal, interest and premium, if any, then due without preference or priority as between principal, interest or premium.

FOURTH: To the payment of the costs and expenses associated with the exercise of any remedy granted by this Indenture or the Loan Agreement, including reasonable compensation to the Authority, the Bond Trustee and either of their attorneys and agents, and then to the payment of any Authority's Expenses.

FIFTH: To the payment of any other sums required to be paid by the University pursuant to any provisions of this Indenture or the Loan Agreement.

SIXTH: Any balance is to be paid to the University, its successors or assigns, upon its written request, to whoever may be lawfully entitled to receive it, upon its written request, or as any court of competent jurisdiction may direct.

(c) If the principal of all the Bonds has been declared due and payable and if the declaration is thereafter rescinded and annulled under the provisions of this Article, then, subject to the provisions of subsection (b) of this Section, in the event that the principal of all the Bonds later becomes due or is declared due and payable, the money is to be applied in accordance with the provisions of subsection (a) of this Section and any amounts transferred to the Principal Account and Interest Account of the Bond Fund from an account of the Project Fund will be returned to the account from which they were taken.

(d) Whenever money is to be applied pursuant to the provisions of this Section, the money is to be applied at the times the Bond Trustee determines, having due regard for the amount of money available for application and the likelihood of additional money becoming available for application in the future. Whenever the Bond Trustee applies funds under this Section it will fix the date (which will be a Bond Interest Payment Date unless it deems another date more suitable) upon which the application is to be made and on that date interest on the amounts of principal paid ceases to accrue. The Bond Trustee agrees to give any notice it deems appropriate of the deposit with it of any money under this Section and of the fixing of the payment date. Payments of principal to the Registered Owner of any unpaid Bonds will not be made until the Bond is presented to the Bond Trustee at its Principal Office for appropriate endorsement or for cancellation if fully paid.

Section 805. Remedies Vested in Bond Trustee. All rights of action (including the right to file proofs of claim) under this Indenture or under any Bonds may be enforced by the Bond Trustee without the possession of any of the Bonds or the production of them in any trial or other proceeding relating to them. Any suit or proceeding instituted by the Bond Trustee is to be brought in its name as Bond Trustee without the necessity of joining as plaintiffs or defendants the Registered Owners. Any resulting recovery or judgment is for the benefit of the Registered Owners of the Outstanding Bonds in accordance with the terms of this Indenture.

Section 806. Rights and Remedies of the Registered Owners of the Bonds. No holder of any Bond has any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture, for the execution of any trust created under this Indenture, for the appointment of a receiver or any other remedy, unless

(a) an Event of Default has occurred of which the Bond Trustee has been notified as provided in Section 901 or of which by that Section it is deemed to have notice,

(b) the Bond Trustee has received a written direction from the Registered Owners of 25% of the principal amount of the Bonds then Outstanding and has been offered a reasonable opportunity either to proceed to exercise the powers granted in this Article or to institute an action, suit or proceeding in its own name,

(c) the Bond Trustee has been offered indemnity as provided in Section 901, and

(d) the Bond Trustee thereafter fails or refuses to exercise the powers granted in this Article or to institute an action, suit or proceeding in its own name.

No Registered Owner of a Bond has any right to affect, disturb or prejudice the security of this Indenture by its action or to enforce any right under this Indenture except in the manner provided in this Indenture and all proceedings at law or in equity are to be conducted in the manner provided in this Indenture for the equal and ratable benefit of all the Registered Owners of the Bonds. Nothing in this Indenture, however, affects or impairs the right of the Registered Owners of the Bonds to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after its maturity or the obligation of the Authority to pay the principal of, premium, if any, and interest on the Bonds issued under this Indenture to the Registered Owners of them at the time, place, from the source and in the manner expressed in this Indenture and the Bonds.

Section 807. Termination of Proceedings. If the Bond Trustee has proceeded to enforce any right under this Indenture and the proceedings have been discontinued, abandoned for any reason or determined adversely, then any amounts transferred to the Principal and Interest Account from an account of the Project Fund will be returned to the account from which they were taken, the Authority and the Bond Trustee are restored to their former positions and rights under this Indenture and all rights, remedies and powers of the Bond Trustee continue as if no proceedings had been taken.

Section 808. Waivers of Events of Default. The Bond Trustee may waive any Event of Default under this Indenture and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds and must do so upon receipt of a request to do so from the Registered Owners of a majority in aggregate principal amount of all Bonds then Outstanding in respect of which a default in the payment of the principal of, premium, if any, or interest exists or a request to do so from the owners of a majority of the principal amount of the Bonds then Outstanding in the case of any other default. Notwithstanding the preceding sentence, the Bond Trustee may not waive any Event of Default in the payment of the principal of, premium, if any, or interest on any Bond unless prior to the waiver all arrears of principal, premium, if any, and interest on the Bonds, and all expenses of the Authority and the Bond Trustee in connection with the Event of Default have been paid or provided for.

ARTICLE IX

THE BOND TRUSTEE

Section 901. Acceptance of the Trusts. The Bond Trustee accepts and agrees to perform the duties of the Bond Trustee under this Indenture upon the following terms and conditions:

(a) The Bond Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, agrees to perform the duties, but only the duties, specifically set forth in this Indenture. In case an Event of Default has occurred and has not been cured or waived, the Bond Trustee agrees to exercise the rights and powers vested in it by this Indenture as provided in this

Indenture and to use the same degree of care and skill in their exercise as a prudent person would exercise under similar circumstances in the conduct of that person's own affairs.

(b) The Bond Trustee may execute any of the trusts or powers and perform any of its duties by or through attorneys, agents, receivers or employees including employees of other departments of the bank in which the Bond Trustee is a department or a bank affiliated with the Bond Trustee. The Bond Trustee is answerable for the conduct of those persons in accordance with the standard specified in (a) above.

(c) The Bond Trustee is entitled to advice of Counsel concerning all matters of trusts and duties arising under this Indenture and may pay reasonable compensation to all Counsel, agents, receivers and employees as it may reasonably employ in connection with this Indenture. The Bond Trustee may act upon the opinion or advice of any Counsel (who may be Counsel for the Authority or the University) approved by the Bond Trustee in the exercise of reasonable care. The Bond Trustee is not responsible for any loss or damage resulting from any action taken or not taken in good faith in reliance upon the opinion or advice of Counsel.

(d) The Bond Trustee is not responsible for (i) any recital in this Indenture or in the Bonds other than the certificate of the Bond Trustee on the Bonds, (ii) the validity of the execution by the Authority of this Indenture or of any supplements to it or instruments of further assurance, or (iii) for the sufficiency of the security for the Bonds issued under this Indenture or intended to be secured by this Indenture.

(e) Except as otherwise specifically provided in this Indenture, the Bond Trustee has no obligation (i) to perform any of the duties of the Authority under this Indenture or the Loan Agreement or to ascertain or inquire as to the observance of any covenants, conditions or agreements by the Authority, or (ii) to perform any of the duties of the University under the Loan Agreement or to ascertain or inquire as to the observance of any covenants, conditions or agreements by the University. The Bond Trustee may require the Authority or the University to provide information as to the performance of its covenants, conditions and agreements under this Indenture, the Bonds or the Loan Agreement and as to the condition of the Trust Estate.

(f) The Bond Trustee is not accountable for the use of any Bond authenticated or delivered under this Indenture. The Bond Trustee may become a Registered Owner of a Bond with the same rights which it would have if it was not Bond Trustee.

(g) The Bond Trustee is protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and to have been signed or sent by the proper person. Any action taken by the Bond Trustee pursuant to this Indenture upon the request, authority or consent of any person who at the time of making the request or giving the authority or consent is the Registered Owner of any Bond is conclusive and binding upon all future Registered Owners of the same Bond and any Bonds issued in exchange for it or in place of it.

(h) As to the existence or nonexistence of any fact or the sufficiency or validity of any instrument, paper or proceeding, the Bond Trustee is entitled to conclusively rely upon a certificate signed on behalf of the Authority by its Executive Director or the University by its [Vice President for Finance and Administration], as sufficient evidence of the facts stated in the certificate. Prior to the occurrence of an Event of Default of which the Bond Trustee has been notified or of which the Bond Trustee is deemed to have notice as provided in Section 901, the Bond Trustee may accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient and may in its discretion secure any further evidence it deems necessary or advisable. The Bond Trustee may accept an Officer's Certificate of the Authority or the University to the effect that a resolution in the form delivered to the Bond Trustee

has been adopted by the Governing Body as conclusive evidence that the resolution has been adopted and is in full force and effect.

(i) The permissive right of the Bond Trustee to do things enumerated in this Indenture is not a duty and the Bond Trustee is not answerable for other than its negligence or willful default.

(j) Except for those described in Section 801(a), the Bond Trustee is not required to take notice and is not deemed to have notice of any Event of Default under this Indenture unless the Bond Trustee is specifically notified in writing of the Event of Default by the Authority or by the Registered Owner of any Outstanding Bond. The Bond Trustee may conclusively assume that no Event of Default has occurred, except as provided in this subsection, if no notice has been delivered to it at its Principal Office.

(k) The Bond Trustee is not personally liable for any debts contracted, for any damage or injury to persons or to personal property, for salaries or for non-fulfillment of contracts during any period in which it is in the possession of or managing the Trust Estate or other collateral securing the Bonds as provided in this Indenture, the Loan Agreement or any other documents.

(l) The Bond Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives have the right, at any reasonable time, to inspect the Project and all books, papers and records of the Authority pertaining to it or the Bonds and to take any memoranda and copies as may be desired.

(m) The Bond Trustee is not required to give any bond or surety with respect to this Indenture.

(n) All money received by the Bond Trustee is to be held in trust for the purposes for which it was received but need not be segregated from other funds except to the extent required by law or any other provision of this Indenture. The Bond Trustee is not under any liability for interest on any money it receives under this Indenture except as may be agreed upon in writing.

(o) Except with respect to an acceleration pursuant to Section 802 or a payment to the Registered Owners, before taking any action under this Section 901 the Bond Trustee may require that indemnity satisfactory to it be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability which it may incur except liability which is adjudicated to have resulted from its negligence or willful default.

Section 902. Bond Trustee's Expenses. The Bond Trustee is entitled to payment or reimbursement of Bond Trustee's Expenses. Upon the occurrence of an Event of Default, but only upon the occurrence of an Event of Default, the Bond Trustee and, subject to the priority of application of funds set forth in Section 804, the Authority have a lien with right to payment prior to payment on account of the principal of, premium, if any, and interest on any Bond upon the Trust Estate and any other collateral securing the Bonds for the payment of the Bond Trustee's Expenses and the Authority's Expenses. Any provision of this Indenture or any statute to the contrary notwithstanding, the Bond Trustee and the Authority hereby waive any rights to or liens for, their respective fees, charges and expenses for services hereunder from funds or obligations delivered to the Bond Trustee constituting moneys deposited for redemption.

Section 903. Notice to Registered Owners of the Bonds if an Event of Default Occurs. If an Event of Default occurs of which the Bond Trustee is required to take notice or of which it has been given notice as provided in Section 901(j), the Bond Trustee agrees to give written notice of the Event of Default by mail to the last known Registered Owners of all Bonds then Outstanding as shown by the Registration

Books; provided that, except in the case of default in the payment of the principal of or premium, if any, or interest on any Bond, the Bond Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or Responsible Officers of the Bond Trustee in good faith determines that the withholding of such notice is in the interest of the Registered Owners.

Section 904. Intervention by Bond Trustee. The Bond Trustee may, and upon receipt of a written request from the owners of 25% of the principal amount of the Bonds then Outstanding to do so, and upon indemnity being provided as required by Section 901(o), shall intervene on behalf of the Registered Owners of the Bonds in any judicial proceeding to which the Authority is a party and which in the opinion of the Bond Trustee and its Counsel has a substantial bearing on the interests of the Registered Owners of the Bonds. The rights and obligations of the Bond Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 905. Merger of Bond Trustee. Any organization or entity into which the Bond Trustee may be merged or converted or with which it may be consolidated, or any organization or entity resulting from any merger, conversion or consolidation to which the Bond Trustee shall be a party, or any organization or entity succeeding to all or substantially all of the corporate trust business of the Bond Trustee, shall be a successor Bond Trustee hereunder, provided such organization or entity shall be otherwise qualified and eligible under this Article IX, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

Section 906. Resignation by the Bond TrusteeThe Bond Trustee and any successor Bond Trustee may at any time resign from such capacity by giving 30 days' written notice by certified mail to the Authority, the University and the Registered Owners. A resignation takes effect upon the appointment of a successor or temporary Bond Trustee by the Authority and the successor or temporary Bond Trustee's acceptance of its appointment.

Section 907. Removal of the Bond Trustee. The Bond Trustee may be removed (i) at any time with or without cause by an instrument or concurrent instruments in writing signed by the Registered Owners of more than 50% of the aggregate principal amount of the Bonds then Outstanding and delivered to the Bond Trustee and the Authority, (ii) without cause at any time upon 30 days' notice by the Authority upon the request of the University, provided that at all times from the date of such notice through the effective date of such removal there shall not have occurred or be continuing any Event of Default, and (iii) by the Authority upon the request of the University at any time for cause. Any removal shall take effect upon the appointment of a successor or temporary Bond Trustee by the Authority and the successor or temporary Bond Trustee's acceptance of its appointment.

Section 908. Successor Bond Trustee. In case the Bond Trustee resigns, is removed, is dissolved, is in the course of dissolution or liquidation, is taken under the control of a public officer, has a receiver appointed for it by a court or otherwise becomes incapable of acting under this Indenture, a successor may be appointed by the University by an instrument executed and signed by its President or Vice President for Finance and Administration or the Executive Director on behalf of the Authority. Every Bond Trustee appointed pursuant to the provisions of this Section must be a trust company or a bank in good standing having a reported capital and surplus of not less than \$35,000,000 or having assets under administration of not less than \$100,000,000 (and, if then required by law, approved by the State Treasurer) if there is an institution willing, qualified and able to accept the trust upon reasonable and customary terms and having the qualifications required by the Act.

Section 909. Concerning Any Successor Bond Trustee. Except as otherwise provided in Section 905, every successor Bond Trustee appointed under this Indenture will execute, acknowledge and deliver to its predecessor, to the Authority and to the University an instrument in writing accepting its appointment under this Indenture and the Loan Agreement and thereupon the successor, without any further act, deed or conveyance, will become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor. Its predecessor agrees, nevertheless, on the written request of the Authority or of its successor, to execute and deliver an instrument transferring to its successor all the estates, properties, rights, powers and trusts of the predecessor under this Indenture. Every predecessor Bond Trustee agrees it will deliver to its successor all the estates, properties, rights, powers and trusts of the predecessor under this Indenture. Every predecessor Bond Trustee agrees it will deliver to its successor all securities, money investments and other property held by it in any Indenture Fund, a list of all checks or other fund transfers which the Bond Trustee has issued or made but which have not been paid on the date the successor trustee becomes the Bond Trustee under this Indenture, a copy of the Registration Books certified by the Bond Trustee to be correct, executed originals of all letters of credit, policies of bond insurance or other credit enhancements relating to the Bonds, all printed but unissued Bonds, all Bonds in the Bond Trustee's possession which are to be but have not been destroyed, executed originals of all indemnity bonds relating to the Bonds, a list of all "stop transfer" orders held by the Bond Trustee and such other documents and information as the successor trustee reasonably requests. If any instrument in writing from the Authority is required by any successor Bond Trustee for more definitely and certainly vesting in the successor the estate, rights, powers, and duties vested or intended to be vested in the predecessor the Authority agrees to execute, acknowledge and deliver any and all requested instruments in writing on request.

Section 910. Successor Bond Trustee as Bond Trustee of Funds, Paying Agent and Registrar. In the event the Bond Trustee is changed the predecessor Bond Trustee which has resigned or been removed ceases to be trustee of the Indenture Funds and registrar and paying agent for principal of, premium, if any, and interest on the Bonds and the successor Bond Trustee becomes the Bond Trustee, registrar and paying agent.

Section 911. Trust Estate May Be Vested in Separate or Co-Bond Trustee. It is the intent of the Authority and the Bond Trustee that this Indenture not violate the law of any jurisdiction (including particularly the State) denying or restricting the right of banking corporations or associations to transact business as Bond Trustee in that jurisdiction. It is recognized that in case of litigation under this Indenture or the Loan Agreement, and in particular in case of the enforcement of any of them on an Event of Default, or in case the Bond Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies granted to it under this Indenture or hold title to the Trust Estate or take any other action which may be desirable or necessary in connection therewith, it may be necessary for the Bond Trustee to appoint an additional individual or institution as a separate trustee or co-trustee. Any separate trustee or co-trustee shall be subject to removal as set forth in Section 907.

In the event that the Bond Trustee appoints an additional individual or institution as a separate trustee or co-trustee, (a) each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Bond Trustee with respect thereto is exercisable by and vests in the separate trustee or co-trustee but only to the extent necessary to enable the separate trustee or co-trustee to exercise those powers, rights and remedies, and (b) every covenant and obligation necessary to the exercise thereof by the separate trustee or co-trustee runs to and is enforceable by either of them.

Should any deed, conveyance or instrument in writing from the Authority be required by the separate trustee or co-trustee so appointed by the Bond Trustee for more fully and certainly vesting in and confirming to him or it those properties, rights, powers, trusts, duties and obligations, any and all deeds, conveyances and instruments in writing will, on request, be executed, acknowledged and delivered by the Authority. In case any separate trustee, co-trustee, or successor to either dies, becomes incapable of acting, resigns or is removed, all the estates, properties, rights, powers, trusts, duties and obligations of the separate trustee or co-trustee, so far as permitted by law, vests in and may be exercised by the Bond Trustee until the appointment of a new trustee or successor to the separate trustee or co-trustee.

Section 912. Conflicts of Interest. If the Bond Trustee has or acquires any conflicting interest, it will, within 90 days after ascertaining that it has a conflicting interest, either eliminate the conflicting interest or resign, its resignation to take effect upon the appointment of a successor Bond Trustee pursuant to Section 908 and the successor or temporary Bond Trustee's acceptance of its appointment.

Section 913. Continuation Statements. The Bond Trustee agrees to file any continuation statements required by the Uniform Commercial Code as in effect in the State as may be necessary to preserve the existence, perfection and priority of the security interest created by the Loan Agreement and Indenture in the Trust Estate.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 1001. Supplemental Indentures Not Requiring the Consent of the Registered Owners of the Bonds.

(a) The Authority and the Bond Trustee may, without the consent of or notice to the Registered Owners of the Bonds, enter into an indenture or indentures supplemental to this Indenture which are not inconsistent with the terms and provisions of this Indenture in order to

(i) cure any ambiguity or formal defect or omission in this Indenture,

(ii) grant to or confer upon the Bond Trustee for the benefit of the Registered Owners of the Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners of the Bonds or the Bond Trustee,

(iii) subject to this Indenture additional revenues, properties or collateral,

(iv) supplement this Indenture in any other way which, in the Opinion of Counsel, is not to the material prejudice of the Bond Trustee or the Registered Owners of the Bonds, or

(v) to permit the qualification of this Indenture under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the Authority so determines, to add to this Indenture or any supplemental Indenture such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law.

(b) At the request of the University, the Authority and the Bond Trustee, from time to time, may enter into indentures supplemental hereto to make any other change to this Indenture if notice by

registered or certified mail, return receipt requested, of such change, including a copy of the proposed supplemental Indenture, is given to each Registered Owner and if each Registered Owner shall have had at least one opportunity to require the purchase of its Bonds during a period beginning 30 days after the giving of such notice and ending on the effective date of the supplemental indenture.

Section 1002. Supplemental Indentures Requiring the Consent of the Registered Owners of the Bonds. Exclusive of supplemental indentures covered by Section 1001, the Authority and the Bond Trustee, with the prior written consent of the Registered Owners of a majority of the principal amount of the Bonds then Outstanding, may enter into an indenture or indentures supplemental to this Indenture as the Authority and the Bond Trustee deem necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture. No supplemental indenture, however, may permit, (a) an extension of the stated maturity or reduction in the principal amount of, reduction in the rate or extension of the time for paying interest on, a reduction of any premium, if any, payable on the redemption of or a reduction in the amount or extension of the time for any payment required by any principal fund applicable to any Bond without the consent of the Registered Owners of all the Bonds which would be affected by the action to be taken, (b) subject to Section 1001(b), the creation of any lien prior to or on a parity with the lien of this Indenture, without the consent of the Registered Owners of all the Bonds at the time Outstanding, a reduction in the aggregate principal amount of the Bonds the Registered Owners of which are required to consent to any supplemental indenture without the consent of the Registered Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken, or (d) modify the rights, duties or immunities of the Bond Trustee without the prior written consent of the Bond Trustee.

If at any time the Authority requests the Bond Trustee to enter into a supplemental indenture for any of the purposes of this Section, the Bond Trustee agrees, upon being satisfactorily indemnified in the Bond Trustee's sole and absolute discretion with respect to expenses, to send notice of the proposed execution of the supplemental indenture by certified mail to the Registered Owners of each of the Bonds at the Registered Owner's Address. The notice will briefly set forth the nature of the proposed supplemental indenture and state that copies of it are on file at the Principal Office of the Bond Trustee for inspection by the Registered Owner of any Bond. As to any supplemental indenture for which the consent of Registered Owners is required, if, within 60 days or any longer period as is prescribed by the Authority following the mailing of the notice, the prior written consent of the Registered Owners of a majority of the principal amount of the Bonds then Outstanding has been obtained, no Registered Owner of any Bond has any right to object to any of the terms and provisions contained in this Section or their operation, in any manner to question the propriety of the execution of the supplemental indenture or to enjoin or restrain the Bond Trustee or the Authority from executing the supplemental indenture or from taking any action pursuant to the provisions of the supplemental indenture. Upon the execution of any supplemental indenture as provided in this Section, this Indenture is modified and amended in accordance therewith.

Anything in this Indenture to the contrary notwithstanding, so long as the University is not in default of any of its obligations under the Loan Agreement, a supplemental indenture under this Article is not effective unless the University has consented to its execution and delivery. The Bond Trustee agrees to send notice of the proposed execution and delivery of any supplemental indenture and a copy of the proposed supplemental indenture by certified mail to the University at least 15 days prior to the proposed date of execution and delivery of any supplemental indenture. The University is deemed to have consented to the execution and delivery of any supplemental indenture if the Bond Trustee does not receive a letter of protest or objection signed by or on behalf of the University on or before the fifteenth day after the mailing of the notice.

Section 1003. Notice of Modification of Indenture. If the Bond Trustee has been notified by the Authority or the University as to the Rating Agencies currently rating the Bonds and the contact information for such Rating Agencies, the Bond Trustee shall provide notice to each Rating Agency then rating the Bonds of any indenture or indentures supplementing this Indenture.

Section 1004. Opinion of Bond Counsel for Supplemental Indentures. As a condition to the execution and delivery of any indenture supplemental hereto, the Bond Trustee shall be provided an opinion of Bond Counsel to the effect that such supplemental indenture is permitted under the terms of this Indenture and will not cause an Event of Taxability to occur.

ARTICLE XI

AMENDMENT OF THE LOAN AGREEMENT

Section 1101. Amendments to the Loan Agreement Not Requiring the Consent of the Registered Owners of the Bonds. The Authority and the Bond Trustee may, without the consent of or notice to the Registered Owners of the Bonds, consent to any amendment, change or modification of the Loan Agreement:

- (a) as may be required by the provisions of the Loan Agreement and this Indenture,
- (b) for the purpose of curing any ambiguity or formal defect or omission in the Loan
- (c) to more precisely identify, substitute or augment Project description contained in the Loan Agreement, or
- (d) in connection with any other change in the Loan Agreement which, in the Opinion of Counsel, is not to the material prejudice of the Bond Trustee or the Registered Owners of the Bonds.

Section 1102. Amendments to the Loan Agreement Requiring the Consent of the Registered Owners of the Bonds. Except for the amendments, changes or modifications covered by Section 1101, neither the Authority nor the Bond Trustee will consent to any other amendment, change or modification of the Loan Agreement without mailing notice to all the Registered Owners of the Bonds and obtaining the prior written consent of the Registered Owners of a majority of the principal amount of the Bonds then Outstanding in the manner provided in Section 1002. If at any time the Authority and the University request the consent of the Bond Trustee to any proposed amendment, change or modification of the Loan Agreement the Bond Trustee agrees, upon being satisfactorily indemnified with respect to expenses, to send notice of the proposed amendment, change or modification in the same manner as provided by Section 1002. The notice will briefly set forth the nature of the proposed amendment, change or modification and state that copies of the instrument embodying it are on file at the Principal Office of the Bond Trustee for inspection by the Registered Owners of the Bonds.

Section 1103. No Amendment May Alter the Bond. Under no circumstances will an amendment to the Loan Agreement alter the obligation of the University under the Loan Agreement to pay Loan Repayments corresponding to the payment of the principal of, premium, if any and interest on the Bonds, without the prior written consent of the Registered Owners of 100% of the principal amount of the Bonds then Outstanding.

Section 1104. Opinion of Bond Counsel for Amendments to Loan Agreement. As a condition to the execution and delivery of any amendment to the Loan Agreement, the Bond Trustee shall be provided

an opinion of Bond Counsel to the effect that such amendment is permitted under the terms of this Indenture and will not cause an Event of Taxability to occur.

ARTICLE XII

MISCELLANEOUS

Section 1201. Consent of Registered Owners of the Bonds. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed by the Registered Owners of the Bonds may be in any number of concurrent writings of similar tenor. The ownership of the Bonds and the amount, series numbers and other identification of them and the date on which they were held are conclusively proved by the Registration Books.

Section 1202. Limitation of Rights. With the exception of rights expressly conferred in this Indenture, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or is to be construed to give to any Person other than the Authority, the Bond Trustee and the Registered Owners of the Bonds any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions contained in it. This Indenture and all of the covenants, conditions and provisions of it are and are intended to be for the sole and exclusive benefit of the Authority, the Bond Trustee and the Registered Owners of the Bonds as provided in it.

Section 1203. Severability. If any provision of this Indenture is held, deemed to be or is illegal, inoperative or unenforceable, that provision is not to affect any other provision of this Indenture or render it invalid, inoperative, or unenforceable to any extent whatsoever.

Section 1204. Notices. Except as otherwise required by this Indenture, all notices, approvals, consents, requests, certificates or other communications hereunder shall be given in writing and shall be deemed given when mailed by certified or registered mail, postage prepaid, dispatched by telegram, addressed, or emailed to the applicable address as set forth in Section 9.6 of the Loan Agreement, unless notice of a different address is given as provided in such Section 9.6 of the Loan Agreement. The Trustee shall have the right to accept and act upon any notice, instruction, or other communication, including any funds transfer instruction, (each, a "Trustee Notice") received pursuant to this Indenture or the Loan Agreement by electronic transmission (including by e-mail, facsimile transmission, web portal or other electronic methods) and shall not have any duty to confirm that the person sending such Trustee Notice is, in fact, a person authorized to do so. Electronic signatures believed by the Trustee to comply with the ESIGN Act of 2000 or other applicable law (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other digital signature provider identified by any other party hereto and acceptable to the Trustee) shall be deemed original signatures for all purposes. Each other party to this Indenture and the Loan Agreement assumes all risks arising out of the use of electronic signatures and electronic methods to send Trustee Notice to the Trustee, including without limitation the risk of the Trustee acting on an unauthorized Trustee Notice and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that a Trustee Notice in the form of an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any such electronic Trustee Notice. A duplicate copy of any notice, certificate or other communication given under this Section is also to be given to the Bond Trustee.

Section 1205. Obligations Due on Saturdays, Sundays or Holidays. If any date upon which an obligation of the Bond Trustee or the Authority is to be performed, including Bond Interest Payment Dates

and Bond Principal Payment Dates, falls on a day which is not a Business Day, then the payment or fulfillment of the obligation may be made on the next succeeding Business Day with the same effect as if made on the date due.

Section 1206. Counterparts. This Indenture may be simultaneously executed in several counterparts each of which is an original and all of which constitute but one and the same instrument.

Section 1207. Parties, Bond Trustee and Registered Owners Alone Have Rights Under Indenture. Except as herein otherwise expressly provided, nothing in this Indenture, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Bond Trustee, the Authority and the Registered Owners, any right, remedy or claim, legal or equitable, under or by reason of this Indenture or any provision hereof, this Indenture and all its provisions being intended to be and being for the sole and exclusive benefit of the Bond Trustee, the Authority and the Registered Owners.

Section 1208. Effect of Dissolution of Authority. In the event the Authority for any reason shall be dissolved or its legal existence shall otherwise be terminated, all of the covenants, stipulations, obligations and agreements contained in this Indenture by or on behalf of or for the benefit of the Authority shall bind or inure to the benefit of the successor or successors of the Authority from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the term “Authority” as used in this Indenture shall include such successor or successors.

Section 1209. Notice to Rating Agencies. If the Bond Trustee has been notified by the Authority or the University as to the Rating Agencies currently rating the Bonds and the contact information for such Rating Agencies, the Bond Trustee shall provide such Rating Agencies of notice of the following items: any change in Bond Trustee, any amendment to the Agreement or this Indenture, any acceleration of the Bonds and the redemption or defeasance of all the Bonds.

The agreement contained in this Section is made as a matter of courtesy and accommodation only and the Bond Trustee shall have no liability to any person for any failure to comply therewith.

Section 1210. Continuing Disclosure. Pursuant to Section 5.12 of the Loan Agreement, the University has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Registered Owners of the Bonds or any other Person with respect to Rule 15c2-12 of the Securities and Exchange Commission. To the extent that the Bond Trustee is serving as dissemination agent under the Continuing Disclosure Agreement, then the Bond Trustee hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement for which it has a duty or obligation as dissemination agent thereunder. Notwithstanding any other provision of this Indenture, failure of the University or the dissemination agent named therein (whether the Bond Trustee, if applicable, or otherwise) to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Bond Trustee, at the request of any participating underwriter or the Registered Owners of at least 25% in aggregate principal amount of the Outstanding Bonds, shall, or any Registered Owner or other holder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the University or the dissemination agent named therein to comply with their respective obligations under the Continuing Disclosure Agreement. For purposes of this Section, the term “other holder” means any Person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including Persons holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Bonds for federal income tax purposes.

In addition, in compliance with Section 11-1-85 of the Code of Laws of South Carolina, 1976, as amended, the Authority covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) an annual independent audit, within 30 days of the Authority's receipt of the audit, and (b) event specific information, within 30 days of its receipt of actual knowledge of an event adversely affecting more than five percent of the revenues and receipts derived by the Authority pursuant to the Loan Agreement; provided that failure of the Authority to comply with the provisions of this paragraph shall not constitute or give rise to an Event of Default and the only remedy for failure by the Authority to comply with this agreement is an action for specific performance of the agreement. Pursuant to Section 5.11 of the Loan Agreement the University has agreed, if requested, to promptly notify the Authority of any event described in clause (b) above and to provide all information requested by the Authority to comply with Section 5.11 of the Loan Agreement. The Authority specifically reserves the right to amend this covenant to reflect any change in Section 11-1-85, without the consent of any Owner.

Section 1211. No Personal Liability. No recourse shall be had for the enforcement of any obligation, promise, or agreement of the Authority contained herein or in the Bonds or the other Bond Documents to which the Authority is a party or for any claim based hereon or thereon or otherwise in respect hereof or thereof against any director, member, officer, agent, attorney or employee, as such, in his/her individual capacity, past, present or future, of the Authority or of any successor entity, either directly or through the Authority or any successor entity whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise. No personal liability whatsoever shall attach to, or be incurred by, any member, officer, agent, attorney or employee as such, past, present or future of the Authority or of any successor entity, either directly or through the Authority or any successor entity, under or by reason of any of the obligations, promises or agreements entered into in the Bonds or between the Authority and the Bond Trustee, whether herein contained or to be implied herefrom as being supplemental hereto; and all personal liability of that character against every such director, member, officer, agent, attorney, and employee is, by the execution of this Indenture, expressly waived and released.

[Signature Pages Follow]

The Authority has caused this Indenture to be signed in its name and on its behalf by its Executive Director, and its official seal to be affixed and to evidence its acceptance of the trusts created by this Indenture. The Bond Trustee has caused this Indenture to be executed by its duly authorized officer, all as of the day and year first above written.

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Jesse Smith
Executive Director

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Bond Trustee**

By: _____
Toni B. Shumpert
Vice President

**EXHIBIT A
TO
INDENTURE OF TRUST**

BOND FORM

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA

SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY
EDUCATIONAL FACILITIES REVENUE BONDS
(FURMAN UNIVERSITY)
SERIES 2024

Bond <u>No.</u>	Interest <u>Rate</u>	Maturity <u>Date</u>	Original Issuance <u>Date</u>	<u>CUSIP</u>
R-1	[]%	April 1, 2034	May [•], 2024	837031[]

Registered Owner: CEDE & CO

Principal Amount: [] DOLLARS
(\$ [])

The South Carolina Jobs-Economic Development Authority (the “*Authority*”), a public body corporate and politic and an agency of the State of South Carolina (the “*State*”), for value received, promises to pay, but only from the sources and as provided below and not otherwise, in lawful money of the United States of America, to the Registered Owner or its registered assigns, on the Maturity Date unless provisions set forth below with respect to redemption prior to maturity become applicable, upon presentation and surrender of this Bond, the Principal Amount.

The Authority also promises to pay, but only from the sources and as provided below and not otherwise, in lawful money of the United States of America, interest on the unpaid Principal Amount to the date on which the Authority’s obligation with respect to the payment of the Principal Amount is discharged as provided in the Indenture described below. The interest due on this Bond is payable in installments due on April 1 and October 1 of each year (a “*Bond Interest Payment Date*”), commencing October 1, 2024.

The interest payable on this Bond is to be computed (i) from the Bond Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated upon an Bond Interest Payment Date, in which event it shall bear interest from such Bond Interest Payment Date or (b) authenticated prior to the first Bond Interest Payment Date, in which event it shall bear interest from the Original Issuance Date set forth above; provided, however, that if at the time of authentication of this Bond interest is in default,

and interest on this Bond was paid on the first Bond Interest Payment Date, then this Bond shall bear interest from the Bond Interest Payment Date to which interest has been paid, (ii) at a rate per annum equal to the Interest Rate, and (iii) on the basis of a 360-day year of twelve 30-day months. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Registered Owner on such Record Date, and may be paid to the person in whose name this bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Bond Trustee hereinafter mentioned, notice whereof being given to the Registered Owner not less than ten days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds may be listed and upon such notice as may be required by such exchange, or as more fully provided in said Indenture.

THE BONDS SHALL BE LIMITED OBLIGATIONS OF THE AUTHORITY. THE BONDS AND THE INTEREST THEREON AND REDEMPTION PREMIUM, IF ANY, SHALL NOT BE DEEMED TO CONSTITUTE OR CREATE A DEBT OR LIABILITY OF THE AUTHORITY OR THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE (OTHER THAN ARTICLE X, SECTION 13(9) OF THE STATE CONSTITUTION PERMITTING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUES DERIVED OTHER THAN FROM A TAX OR LICENSE) OR A PLEDGE OF THE FAITH AND CREDIT OF THE AUTHORITY OR THE STATE OR OF ANY SUCH POLITICAL SUBDIVISION THEREOF. NEITHER THE STATE NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE BONDS OR THE INTEREST THEREON EXCEPT FROM AMOUNTS TO BE PAID BY OR ON BEHALF OF THE UNIVERSITY PURSUANT TO THE LOAN AGREEMENT. NEITHER THE FAITH AND CREDIT OF THE AUTHORITY OR THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS. THE BONDS SHALL BE PAYABLE SOLELY FROM AND SECURED BY THE REVENUES AND THE OTHER ITEMS COMPRISING THE TRUST ESTATE, ALL AS DESCRIBED IN AND SUBJECT TO LIMITATIONS SET FORTH IN THE INDENTURE, FOR THE EQUAL AND RATABLE BENEFIT OF THE OWNERS, FROM TIME TO TIME, OF THE BONDS. THE BONDS CONSTITUTE AN INDEBTEDNESS PAYABLE ONLY FROM A REVENUE-PRODUCING PROJECT OR SPECIAL SOURCE WITHIN THE MEANING OF ARTICLE X, SECTION 13(9) OF THE CONSTITUTION OF THE STATE, WHICH SOURCE OF PAYMENT DOES NOT INCLUDE REVENUES FROM ANY TAX OR LICENSE. THE BONDS AND THE INTEREST AND ANY PREMIUM, IF ANY, THEREON DO NOT AND SHALL NEVER CONSTITUTE AN OBLIGATION OR INDEBTEDNESS OF THE AUTHORITY OR OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION (OTHER THAN ARTICLE X, SECTION 13(9) OF THE STATE CONSTITUTION PERMITTING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUES DERIVED OTHER THAN FROM A TAX OR LICENSE) AND DO NOT AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE AUTHORITY OR OF THE STATE OR ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE OR A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY OR THE STATE OR ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE OR THE TAXING POWERS OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. NO OWNER OF ANY BOND SHALL HAVE THE RIGHT TO DEMAND PAYMENT OF THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON ANY BOND FROM ANY FUNDS RAISED BY TAXATION.

This Bond is one of an authorized issue of bonds issued under and equally and ratably secured by a Indenture of Trust (the “**Indenture**”) between U.S. Bank Trust Company, National Association as bond trustee (the “**Bond Trustee**”), and the Authority, dated as of May 1, 2024 (the “**Document Date**”), and is limited in aggregate principal amount to \$[Par] (the “**Bonds**”).

The Bonds are issued for the purpose of funding a loan to Furman University, a private nonprofit institution of higher learning and nonprofit corporation organized and existing under the laws of the State of South Carolina (the “**University**”). The University will use the proceeds of the loan to finance all or a portion of (i) the renovation and reconstruction of existing residence halls in South Housing, apartment style residential housing in North Village, basketball facilities in Timmons Arena, and other potential capital needs on or about campus in furtherance of the University’s residential, educational, athletic, administrative, faculty and student facilities and programs, all located on the campus of the University at 3300 Poinsett Highway within Greenville County, South Carolina (the “**County**”); (ii) establishing certain funds and accounts such as, but not limited to, project funds, debt service reserve funds, accounts for funded interest and accounts for paying related costs and expenses all to the extent applicable; and (iii) the provision for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii) and (iii), the “**Project**”), all as more fully described in a Loan Agreement between the University and the Authority dated as of the Document Date (the “**Loan Agreement**”).

Under the terms of the Loan Agreement, the Authority has loaned the original principal amount of the Bonds to the University to assist the University in financing the Project and, in turn, the University has agreed to make payments to the Authority in amounts and at times corresponding to the payments when due of principal and premium (if any) of, and interest on, the Bonds. The Authority has assigned its rights to receive such payments to the Bond Trustee as a source of payment of and security for the payment of the Bonds.

The Bonds are issuable only as registered bonds without coupons in denominations of \$5,000 (a “**Minimum Denomination**”) or any multiple thereof (an “**Authorized Denomination**”) as provided in the Indenture. The principal of and premium, if any, on this Bond are payable only to the Registered Owner or its legal representative at the principal trust office of the Bond Trustee or the office of any successor Bond Trustee or the principal office of any subsequently appointed paying agent upon presentation and surrender of this Bond. Payments of interest on this Bond will be made to the person in whose name this Bond is registered at the close of business on the fifteenth day of the month (which may or may not be a business day) immediately preceding the applicable Bond Interest Payment Date (a “**Record Date**”) without the necessity of surrendering this Bond (i) by check or draft mailed by the Bond Trustee, or (ii) by wire transfer to any bank in the continental United States for a Registered Owner of \$1,000,000 or more in aggregate principal amount of Bonds who, by written request delivered to the Bond Trustee no later than the Record Date for the payment, has requested the Bond Trustee to make any payments of interest due to it at a specified wire transfer address (which request needs to be given only once unless the Registered Owner wishes to change the wire transfer address).

As provided in the Indenture, this Bond may be transferred upon its presentation at the principal trust office of the Bond Trustee if it has been duly endorsed for transfer or is accompanied by a written instrument of transfer in a form approved by the Bond Trustee which has been executed by the Registered Owner or on its behalf by a duly authorized attorney. The Bond Trustee will transfer any Bond so presented by making an appropriate entry in the registration books which it maintains for the Bonds on behalf of the Authority and delivering to the transferee(s) one or more new Bonds which have been executed and delivered by the Authority, have been authenticated by the Bond Trustee, are in Authorized Denominations and have the same form, terms, interest rate, maturity and aggregate principal amount as the Bond being transferred. The Indenture also permits Bonds to be exchanged for other Bonds of any Authorized

Denomination which have the same aggregate principal amount, form, interest rates and maturities by surrendering the Bonds to be exchanged at the principal trust office of the Bond Trustee.

Reference is made to the Indenture and to all indentures supplemental to it for a description of the nature and extent of the security for the Bonds, the rights, duties and obligations of the Authority and the Bond Trustee and the rights of the owners of the Bonds. The Registered Owner of this Bond, by its acceptance of this Bond, assents to all the provisions of the Indenture.

The Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of South Carolina, particularly Title 41, Chapter 43, Code of Laws of South Carolina 1976, as amended, and pursuant to a resolution adopted by the Authority authorizing the execution and delivery of the Loan Agreement and the Indenture and the issuance of the Bonds.

The Revenues, from which the Bonds are payable, include (i) all income and revenues derived from and for the account of the University by or for the account of the Authority pursuant to the terms of the Loan Agreement (except for any fees or indemnity payments which become due to the Authority) including without limitation the Loan Repayments required to be paid by the University under the Loan Agreement in amounts corresponding to amounts owing as the principal of, premium (if any) and interest on the Bonds, (ii) all amounts realized upon recourse to the Loan Agreement or any collateral (if any) given by the University to secure the University's obligations under the Loan Agreement, (iii) the money and securities held by the Bond Trustee in the trust funds established under the Indenture, and (iv) earnings from the investment of money held by the Bond Trustee in trust funds under the Indenture. As security for the payment of the Bonds, the Authority has, under the Indenture, pledged and assigned to the Bond Trustee all of its right, title and interest in the Loan Agreement (except for the fees and indemnity payments described above) and the money and securities held in the trust funds.

The Authority and the Bond Trustee may treat the Registered Owner as the absolute owner of this Bond (whether or not this Bond is overdue) for all purposes other than for the purpose of receiving payments of interest due on the Bonds and may deem and treat the Registered Owner of this Bond as of the immediately preceding Record Date as the absolute owner of this Bond for the purpose of receiving payments of interest on the Bonds. Neither the Authority nor the Bond Trustee is affected by any notice to the contrary.

Optional Redemption. The Bonds are callable for redemption in whole or in part at any time on or after April 1, 2025 upon the exercise by the University of its option to prepay the Loan as provided in the Loan Agreement and shall be redeemed at the applicable redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus interest accrued to (but not including) the redemption date.

When any Bonds are to be redeemed as provided above, the Bond Trustee will mail a notice by first-class mail, postage prepaid, to the Registered Owner of each Bond which will be redeemed in whole or in part at the address which the Registered Owner has provided to the Bond Trustee in the manner set forth in the Indenture. The notice will be mailed at least 30 days but not more than 60 days prior to the date fixed for the redemption of the Bonds.

If less than all of the Bonds are to be redeemed, any maturity or maturities of Bonds to be redeemed shall be selected by the Bond Trustee at the direction of the University, and Bonds shall be redeemed only in Authorized Denominations of the maturities designated by the University. Upon the surrender of any Bond for redemption in part, the Authority will execute and the Bond Trustee will authenticate and deliver to the Registered Owner a new Bond of the same series in a principal amount equal to the unredeemed portion of the Bond surrendered.

The Bonds are not subject to mandatory sinking fund redemption prior to maturity.

The Registered Owner of this Bond has no right (a) to enforce the provisions of the Indenture, (b) to institute an action to enforce the covenants contained in the Indenture, (c) to take any action with respect to any event of default under the Indenture, or (d) to institute, appear in or defend any suit or other proceeding with respect to the Indenture, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds then outstanding may become or may be declared due and payable before their stated maturity, together with the interest accrued on them.

The Indenture permits, with the exceptions provided therein, the amendment of the Indenture and the Loan Agreement and the modification of the rights and obligations of the Authority and the Bond Trustee and the rights of the Registered Owners of the Bonds at any time with the consent of the Registered Owners of a majority of the principal amount of the Bonds then outstanding. Any consent or waiver by the Registered Owner of this Bond is conclusive and binding upon that Registered Owner and upon all future Registered Owners of this Bond and of any Bond issued upon the transfer or exchange of this Bond whether or not notation of the consent or waiver is made on this Bond. The Indenture also contains provisions permitting the Bond Trustee to waive certain past events of default under the Indenture and their consequences and permitting the amendment of the Indenture, the Loan Agreement and other collateral documents (if any) without the consent of the Registered Owners of any of the Bonds in certain circumstances.

IT IS HEREBY CERTIFIED that (a) all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law and, (b) the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Authority, does not exceed or violate any constitutional or statutory limitation.

This Bond is not valid or obligatory for any purpose and is not entitled to any security or benefit under the Indenture until the certificate of authentication on it has been signed.

The South Carolina Jobs-Economic Development Authority has caused this Bond to be signed in its name by the manual or facsimile signature of its Executive Director on behalf of the Authority and sealed with its corporate seal.

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Jesse Smith
Executive Director

[SEAL]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the Indenture.

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,**
as Bond Trustee

By: _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers to

Please insert Social Security or
other identifying number of assignee

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS,
INCLUDING ZIP CODE, OF ASSIGNEE)

this Bond, and all rights under it, hereby irrevocably constituting and appointing
_____ as attorney to transfer this Bond on the Registration Books of the
Authority, with full power of substitution in the premises.

Dated: _____, _____.

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears on the face of this Bond in every particular without alteration or enlargement or any change whatever,

Signature(s) guaranteed by:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agents Medallion Program (STAMP) or similar program.

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SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY

and

FURMAN UNIVERSITY

LOAN AGREEMENT

Dated as of May 1, 2024

Relating to

**\$[PAR]
South Carolina Jobs-Economic Development Authority
Educational Facilities Revenue Bonds
(Furman University)
Series 2024**

The rights of the South Carolina Jobs-Economic Development Authority under this Loan Agreement, with certain exceptions, have been assigned to U.S. Bank Trust Company, National Association, as Bond Trustee under an Indenture of Trust dated as of May 1, 2024.

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LOAN AGREEMENT

This Loan Agreement (including any amendments, this “*Agreement*” or this “*Loan Agreement*”) is dated as of May 1, 2024, and is between FURMAN UNIVERSITY, a private nonprofit institution of higher learning and nonprofit corporation organized and existing under the laws of the State of South Carolina (together with its successors, the “*University*”), and the SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and an agency of the State of South Carolina (together with its successors, the “*Authority*”).

PRELIMINARY STATEMENT

WHEREAS, the Authority is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43, Code of Laws of South Carolina 1976, as amended (the “*Act*”), to utilize any of its program funds to establish loan programs to be utilized to acquire, by construction or purchase, properties and for other purposes described in §41-43-160 of the Act in order to promote and develop the business and economic welfare of the State of South Carolina (the “*State*”), encourage and assist in the location of new business enterprises in the State, and in the rehabilitation and assistance of existing business enterprises and in the promotion of export of goods, services, commodities, and capital equipment produced within the State, and thus providing maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State and in the promotion and enhancement of industrial, commercial, agricultural, and recreational development in the State; and

WHEREAS, the Authority is further authorized by §41-43-110 of the Act to issue revenue bonds payable by the Authority solely from a revenue-producing source and secured by a pledge of said revenues in order to provide funds for any purpose authorized by the Act; and

WHEREAS, the Authority is further authorized by the Act to, among other things, enter into loan agreements to finance a business enterprise for such payments and upon such terms as the Board of Directors of the Authority may deem advisable in accordance with the provisions of the Act; to issue its revenue bonds pursuant to the provisions of the Act for the purpose of carrying out any of its powers; and, as security for the payment of principal of, and the interest on, any such bonds so issued, to mortgage and pledge any or all of its projects, to pledge the revenues and receipts therefrom, and to assign and pledge all or any part of its interests in, and rights under, the loan agreements relating thereto or to any thereof; and

WHEREAS, in furtherance of the foregoing, the Authority has agreed to issue its Educational Facilities Revenue Bonds (Furman University) Series 2024, in the aggregate principal amount of \$[PAR] (the “*Bonds*”), to provide funds for the purpose of financing all or a portion of (i) the completion of the South Housing Project and the North Village Project, and the third phase of improvements and renovations to the Timmons Arena Project (each as defined in Appendix A to the Official Statement), all located on the campus of the University at 3300 Poinsett Highway within Greenville County, South Carolina (the “*County*”); (ii) certain funds and accounts such as, but not limited to, project funds, debt service reserve funds, accounts for funded interest and accounts for paying related costs and expenses all to the extent applicable; and (iii) certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii) and (iii), the “*Project*”); and

WHEREAS, the Bonds will be issued under an Indenture of Trust dated as of May 1, 2024 (the “*Indenture*”) between the Authority and U.S. Bank Trust Company, National Association (or its successors), as bond trustee (in such capacity and together with such successors, the “*Bond Trustee*”); and

WHEREAS, the Authority and the University are entering into this Agreement to provide for the loan of the proceeds of the Bonds by the Authority to the University (the “*Loan*”), and the repayment of such Loan by the University in amounts which will be sufficient to pay the principal of, redemption premium, if any, and the interest on the Bonds (as more particularly defined herein, the “*Loan Repayments*”); and

WHEREAS, pursuant to the Indenture, the Authority has pledged and assigned the Loan Repayments, the other Revenues and the Authority’s rights under this Agreement (other than the Unassigned Rights) as security for the Bonds, which Bonds will be payable solely out of such Loan Repayments to be made by the University under this Agreement and any other funds and security (if any) or other Revenues provided for them under this Agreement and the Indenture;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS AND RULES OF INTERPRETATION AND EXHIBITS

Section 1.1 **Definitions.** As used in this Loan Agreement and the Indenture, the following terms have the following meanings unless the context clearly requires a different meaning. In addition, those words defined in the Preliminary Statements to this Loan Agreement shall have, for purposes of this Loan Agreement, the meanings set forth therein.

“*Act*” has the meaning attributed to it in the Preliminary Statement.

“*Affiliate*” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For purposes of this definition, control (including, with correlative meanings, the terms “controlling,” “controlled by,” and “under common control with”) means the possession directly or indirectly of the power to direct or cause the direction of the management or policies of the Person, whether through the ownership of not less than a majority of its voting securities or the right to designate or elect not less than a majority of its board of directors or other governing board or body by contract or otherwise.

“*Agreement*” means this Loan Agreement as amended.

“*Arbitrage Bonds*” means bonds which are arbitrage bonds within the meaning of Section 148 of the Code.

“*Authority*” has the meaning attributed to it in the first paragraph of this Agreement.

“*Authority’s Documents*” means this Agreement, the Indenture, the Bonds and the Tax Certificate.

“*Authority’s Expenses*” means the reasonable and necessary fees and expenses incurred by the Authority with respect to this Loan Agreement, the Indenture, the Bonds or the Project Property including

any advances made by the Authority plus interest on those advances as provided by this Loan Agreement and those for any legal, accounting, financial or other experts reasonably retained by the Authority.

“Authorized Denominations” means \$5,000 and whole multiples thereof.

“Authorized University Representative” means the person identified in a written certificate which is signed by the president or any vice president of the University, which contains a specimen of the Authorized University Representative’s signature and which has been delivered to the Bond Trustee. Authorized University Representative includes any alternate or alternates designated in the certificate in the same manner. An Authorized University Representative or alternate may be an employee of the University.

“Beneficial Owner” means, with respect to the Bonds, a Person owning a Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Bond Trustee.

“Beneficial Ownership Interest” means the beneficial right to receive payments and notices with respect to the Bonds which are held by a Depository under a Book-Entry System.

“Bond Counsel” means an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and related subdivisions thereof.

“Bond Fund” means the fund created by Section 502 of the Indenture.

“Bond Interest Payment Date” means each date on which a payment of interest is due on the Bonds so long as any Bonds are Outstanding. Interest on the Bonds is payable in installments due on April 1 and October 1 of each year until the Bonds mature or are redeemed, commencing October 1, 2024.

“Bond Principal Payment Date” means each date on which a payment of principal (whether upon maturity, redemption, acceleration or otherwise) is due on the Bonds so long as any Bonds are Outstanding.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated [April 24], 2024, among the Underwriters, the Authority and the University.

“Bond Trustee” means the bond trustee at the time serving under the Indenture.

“Bond Trustee’s Expenses” means the reasonable and necessary fees and expenses of the Bond Trustee with respect to this Loan Agreement, the Indenture, the Bonds or the Project Property including any advances made by the Bond Trustee plus interest on those advances as provided in this Loan Agreement and any fees and expenses of any legal, accounting, financial or other experts reasonably retained by the Bond Trustee. Bond Trustee’s Expenses also include the fees, charges and expenses of any additional paying agent for the Bonds.

“Bonds” means the \$[PAR] South Carolina Jobs-Economic Development Authority Educational Facilities Revenue Bonds (Furman University) Series 2024.

“Book-Entry Form” or **“Book-Entry System”** means, with respect to the Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in the Bonds may be transferred only through a book entry system, and (ii) physical Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Registered Owner, with the physical Bond certificates

immobilized in the custody of the Depository. The book entry maintained by the Depository is the record that identifies the owners of beneficial interests in the Bonds.

“Business Day” means any day on which the banks in the city in which the Principal Office of the Bond Trustee is located are not authorized or required by law to remain closed and on which the New York Stock Exchange is not closed.

“Code” means the Internal Revenue Code of 1986, as amended, and any proposed, temporary or final regulations related to it or any successor federal income tax code and its related regulations.

“Continuing Disclosure Agreement” means the undertaking to provide continuing disclosure dated May 8, 2024, between the University and Digital Assurance Certification, L.L.C., as disclosure dissemination agent.

“Counsel” means an attorney admitted to practice before the highest court of any state.

“DTC” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York.

“Default” means the occurrence of an event which, with the lapse of time or the giving of notice or both, is an Event of Default.

“Defaulted Interest” shall have the meaning given that term in Section 203(c) of the Indenture.

“Defeasance Obligations” shall mean the following:

- (a) Cash;
- (b) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – “SLGs”);
- (c) Direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury itself, CATS, TIGRS and similar securities;
- (d) Obligations of Resolution Funding Corp. (REFCORP) – Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form are acceptable;
- (e) Pre-refunded municipal bonds rated, at the time of purchase, “Aaa” by Moody’s and “AAA” by S&P;
- (f) Obligations issued by the following agencies which are backed by the full faith and credit of the United States:
 - (i) United States Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
 - (ii) Farmers Home Administration (FmHA)
Certificates of beneficial ownership

- (iii) Federal Financing Bank
- (iv) General Services Administration
Participation certificates
- (v) United States Maritime Administration
Guaranteed Title XI financing
- (vi) United States Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - United States government
guaranteed debentures
United States Public Housing Notes and Bonds - United States
government guaranteed public housing notes and bonds.

“Depository” means any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interests in the Bonds and to effect transfers of the beneficial ownership in the Bonds in Book-Entry Form.

“Event of Default” as used in or with reference to (a) this Agreement has the meaning attributed to it in Section 7.1, (b) the Indenture has the meaning attributed to it in Section 801 of the Indenture, and (c) other documents has the meaning attributed to it in such documents.

“Event of Taxability” means any act, omission or event which results in the interest paid or payable on any Bond becoming includable for federal income tax purposes in the gross income of any Registered Owner.

“Excess Funds” means any money which is or which the University has determined will be on deposit in the Project Account on or after the Project Account Closeout Date other than amounts retained in the Project Account to pay Project Costs not then due or which the University is contesting in good faith by appropriate proceedings, all as directed in writing by an Authorized University Representative.

“Excess Funds Account” means the account by that name in the Bond Fund created by Section 502 of the Indenture.

“Fitch” means Fitch Ratings, Inc., and its successors and assigns.

“Governing Body” means the members of the Authority or anybody succeeding to the powers presently exercised by them.

“Governmental Rule” has the meaning attributed to it in Section 4.7.

“Indenture” has the meaning attributed to it in the Preliminary Statement.

“Indenture Funds” means the Project Fund, the Bond Fund and any other funds created under Article V of the Indenture.

“Interest Account” means the account by that name in the Bond Fund created by Section 502 of the Indenture.

“Issuing Expenses” means fees and expenses incurred or to be incurred by or on behalf of the Authority, the Bond Trustee, the University, Bond Counsel or Underwriters’ Counsel for the Bonds in connection with the issuance and sale of the Bonds including, but not limited to, underwriting costs (whether in the form of discount in the purchase of the Bonds or otherwise), fees and expenses of legal counsel (including Bond Counsel, Underwriters’ Counsel, and Counsel for the Authority, the Bond Trustee, the Underwriters and the University), fees and expenses of financial advisors and accountants and all other items of expense not elsewhere in this definition specified incident to the Project and the financing thereof, rating agency fees, fees of the Bond Trustee, printing costs, recording expenses, costs associated with the acquisition of securities.

“Issuing Expenses Account” means the account by that name in the Project Fund created by Section 503 of the Indenture.

“Loan” means the loan made by the Authority to the University under this Agreement.

“Loan Repayments” means the amounts required to be paid by the University as repayments of the Loan, under Sections 3.3(a), (b) and (c) of this Agreement, in amounts corresponding to amounts owing as the principal of, premium (if any) and interest on the Bonds.

“Moody’s” means Moody’s Investors Service, Inc., and its successors and assigns.

“Officer’s Certificate” means, with respect to the Authority, a certificate of the Authority signed by the Executive Director or by any other person designated by resolution of the Authority to act for any of those officers, either generally or with respect to the execution of any particular document or other specific matter, if a certified copy of the resolution has been filed with the Bond Trustee. With respect to any corporation, including the University, Officer’s Certificate means a certificate signed by the chairman, president, any vice president or any other person designated by resolution of the board of directors or trustees of the corporation, either generally or with respect to the execution of any particular document or other specific matter, if a copy of the resolution has been filed with the Bond Trustee or, in the case of the University, signed by the Authorized University Representative.

“Opinion of Bond Counsel” means an Opinion of Counsel from Bond Counsel.

“Opinion of Counsel” means an opinion in writing signed by legal counsel who may be an employee of or counsel to the Authority or the University.

“Outstanding” means all Bonds which have been authenticated and delivered by the Bond Trustee under the Indenture except:

(a) Bonds or portions of Bonds which have been canceled after (i) purchase in the open market, (ii) payment at maturity or redemption prior to maturity, or (iii) delivered to the Bond Trustee under Section 211(b) of the Indenture,

(b) Bonds for the payment or redemption of which there has been deposited with the Bond Trustee, in trust, cash or Defeasance Obligations in an amount sufficient, including in the case of Defeasance Obligations the income or increment to accrue on them, but without reinvestment, to pay or redeem (when redeemable) the Bonds at or before their respective maturity

dates, including interest which has accrued on the Bonds and will accrue to the final payment or redemption of the Bonds and any redemption premium on them, provided that if the Bonds are to be redeemed prior to their maturity irrevocable notice of the redemption has been given or arrangements satisfactory to the Bond Trustee have been made for the giving of a notice of redemption,

(c) Bonds in lieu of which other Bonds have been authenticated under Section 204, 209 or 210 of the Indenture, and

(d) for purposes of any agreement, acceptance, approval, waiver, consent, request or other action to be taken under this Agreement or the Indenture by the Registered Owners of a specified percentage of principal amount of Bonds, Bonds held by or for the account of the Authority, the University or any Person controlling, controlled by or under common control with any of them.

In determining whether the Registered Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the Authority, the University, or any Affiliate of the Authority or the University, shall be disregarded and deemed not to be Outstanding except that, in determining whether the Bond Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Bond Trustee actually knows to be so owned shall be disregarded; provided, however, that, in determining whether the Bond Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, the Bonds which the Bond Trustee knows to be owned by the Authority, the University or any Affiliate of the Authority or the University which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Bond Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Authority or the University, or any Affiliate of the Authority or the University.

"Participant" means any bank, brokerage house or other financial institution for which, from time to time, the Depository effects book entry transfers and pledges of securities deposited with the Depository.

"Person" means natural persons, firms, associations, corporations and public bodies.

"Plans and Specifications" means the plans and specifications prepared for the Project as amended by the University from time to time prior to the Project Account Closeout Date.

"Predecessor Bonds" of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond, and, for purposes of this definition, any Bond authenticated and delivered under Section 209 of the Indenture in lieu of a lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

"Prepayment Account" means the account by that name in the Bond Fund created by Section 502 of the Indenture.

"Principal Account" means the account by that name in the Bond Fund created by Section 502 of the Indenture.

"Principal Office" as to the Bond Trustee means the principal office of the Bond Trustee at which at any particular time its corporate trust business shall be administered with respect to the Bonds or if the

paying agent and registrar office capacity is in another office, the office at which the paying agent and registrar capacity is maintained with respect to the Bonds.

“Project” has the meaning attributed to it in the recitals.

“Project Account” means the account by that name in the Project Fund created by Section 503 of the Indenture.

“Project Account Closeout Date” means the third anniversary of the date of original issuance of the Bonds, or on such earlier date (if any) on which the Authorized University Representative delivers a certificate to the Bond Trustee stating that the Project and all other necessary facilities related to the Project have been substantially completed to the satisfaction of the University. Any such certificate delivered by the University shall be without prejudice as to rights against third parties.

“Project Cost” means any costs of the Project which are permitted to be financed under the Act and which are not Issuing Expenses.

“Project Fund” means the fund created by Section 503 of the Indenture.

“Project Property” means any land, improvements, equipment, or other real or personal property consisting of, or acquired or constructed in connection with, the Project or acquired or constructed from the proceeds of the loans which were, or are being financed or refinanced in whole or in part, with the proceeds of the Bonds.

“Purchase Proceeds” has the meaning attributed to it in Section 501 of the Indenture.

“Qualified Investments” means any dollar denominated investments in which the University is not prohibited from investing its funds pursuant to its organizational documents and the laws of the State.

“Rating Agency” shall mean any of S&P, Moody’s or Fitch, and their respective successors and assigns.

“Record Date” shall mean, with respect to any Bond Interest Payment Date, the fifteenth day (which may or may not be a Business Day) of the calendar month preceding such Bond Interest Payment Date.

“Registered Owner” or **“Owner”** when used with reference to a Bond means the person who is the registered owner of such Bond as shown on the Registration Books.

“Registered Owner’s Address” means the address, which a Registered Owner may change upon written request to the Bond Trustee, of the Registered Owner of any Bond as it appears in the Registration Books.

“Registration Books” means books maintained by the Bond Trustee on behalf of the Authority at the Principal Office of the Bond Trustee for the purpose of recording the registration, transfer, exchange or replacement of any of the Bonds.

“Revenues” means (a) all income and revenues derived from and for the account of the University by or for the account of the Authority pursuant to the terms of this Agreement (except any fees or indemnity payments which become due to the Authority) including without limitation the Loan Repayments, (b) all

amounts realized upon recourse to this Agreement or any other collateral given by the University (if any) to secure the University's obligations under this Loan Agreement, (c) moneys and securities held by the Bond Trustee in trust funds under the Indenture, and (d) earnings from the investment of money held by the Bond Trustee in trust funds under the Indenture.

“Special Interest Rate” means interest at a rate per annum equal to the sum of the weighted average rate per annum payable on the Bonds then Outstanding for the period in question plus two percent.

“Special Record Date” for the payment of any Defaulted Interest on Bonds means a date fixed by the Bond Trustee pursuant to Section 203(c) of the Indenture.

“S&P” means S&P Global Ratings, an S&P Global business, and its successors and assigns.

“State” means the State of South Carolina.

“Tax Certificate” means the Tax Certificate executed by the Authority, the University and the Bond Trustee in connection with the issuance of the Bonds.

“Trust Estate” means the property conveyed to the Bond Trustee pursuant to the Granting Clauses of the Indenture.

“Unassigned Rights” means the Authority's rights (a) to receive indemnity and payments for its expenses under this Agreement or any other document associated with the issuance of any Bonds specifically including but not limited to its rights to receive payments under Sections 3.3(e) and 5.3 of this Agreement, (b) to execute and deliver amendments to this Agreement or the Indenture, (c) subject to the last sentence of Section 3.6, to receive notices and other documents and to provide its consent, acceptance or approval with respect to matters as to which that right is given in this Agreement or the Indenture, and (d) to receive indemnification and payment of expenses under the Bond Purchase Agreement.

“Underwriters” means, together, Raymond James & Associates, Inc., on behalf of itself as Representative (the “Representative”) and on behalf of Wells Fargo Bank, National Association.

“University” has the meaning attributed to it in the first paragraph of this Agreement.

“University's Documents” means this Agreement and the Tax Certificate.

“University's Closing Certificate” means the Officer's Certificate of the University dated the date of and delivered at the time of the issuance and sale of the Bonds.

Section 1.2 Rules of Interpretation. For purposes of this Agreement, except as is otherwise expressly provided or unless the context otherwise requires:

(a) The words “herein,” “hereof” and “hereunder” and other similar words refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

(b) The definitions in this Article are applicable whether the terms defined are used in the singular or the plural.

(c) All accounting terms which are not defined in this Agreement have the meanings assigned to them in accordance with generally accepted accounting principles.

(d) Any terms which are not defined in this Agreement but which are defined in the Indenture have the same meanings in this Agreement as are given to them in the Indenture.

(e) Any pronouns used in this Agreement include both the singular and the plural and cover both genders.

(f) Any terms defined elsewhere in this Agreement have the meanings attributed to them where defined.

(g) This Agreement is to be governed by the internal laws of the State.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 **The Authority's Representations and Warranties.** The Authority represents and warrants that:

(a) The Authority is a body corporate and politic and an agency of the State organized and existing under the laws of the State and has full power and authority under the laws of the State (including, in particular, the Act) to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder.

(b) The Authority has duly authorized the issuance, execution, delivery and performance of each of the Authority's Documents relating to the issuance of the Bonds.

(c) The Authority has not pledged or assigned and will not pledge or assign its interest in any of the Authority's Documents other than to secure the Bonds from time to time Outstanding as provided in the Indenture.

(d) The University has represented to the Authority that the Project constitutes and will constitute a "business enterprise" within the meaning of the Act.

Section 2.2 **The University's Representations and Warranties.** The University represents and warrants that:

(a) The University is a private nonprofit institution of higher learning and nonprofit corporation duly organized and existing under the laws of the State.

(b) Each of its representations, warranties and certifications contained in the University's Closing Certificate is true and correct in all material respects. Each of the recitals of fact and statements made by the University in this Loan Agreement is true in all material respects.

(c) The University owns or will own all of the Project Property throughout the term of this Agreement and intends to use it in furtherance of its purposes as a regionally accredited, private, nonprofit, post-secondary educational institution or for related educational and service activities.

(d) It is duly authorized under the laws of the State and all other applicable provisions of law and its charter and bylaws to execute and deliver this Agreement and that all action on its part necessary for the valid execution and delivery of this Agreement have been duly and effectively taken.

(e) The University has obtained all licenses and permits from all State, local and other governmental and regulatory agencies having jurisdiction required for the completion, occupancy and operation of the Project which are currently obtainable. The University is not aware of any facts or circumstances which lead it to believe that all licenses and permits from all State, local and other governmental and regulatory agencies having jurisdiction required for the completion, occupancy and operation of the Project which are not currently available will not be issued in due course.

(f) The Project constitutes and will constitute a “business enterprise” within the meaning of the Act.

ARTICLE III

THE LOAN

Section 3.1 **Agreement To Issue the Bonds.** In order to provide funds to make the Loan to the University to finance the Project, the Authority agrees to issue and sell the Bonds to the Underwriters. The University and the Authority agree that the proceeds of the sale of the Bonds will be applied as provided in Section 501 of the Indenture.

Section 3.2 **Making of the Loan.** The Authority hereby loans \$[PAR] to the University and the University accepts the loan from the Authority on the terms and conditions provided in this Agreement. The proceeds of this loan will be disbursed to the University as provided in this Agreement and the Indenture.

Section 3.3 **Loan Payments and Other Payments.** As evidence of its obligation to repay the Loan and to provide the Authority with the funds necessary to pay the principal of, premium, if any, and interest on the Bonds, the University is entering into this Loan Agreement.

The University agrees, notwithstanding anything else in this Loan Agreement or the Indenture,

(a) to deposit into the Interest Account on or before each Bond Interest Payment Date, commencing October 1, 2024, the amount necessary, together with any money then on deposit in the Interest Account and available for that purpose, to pay the installment of Loan Repayments corresponding to interest due on the Bonds on such Bond Interest Payment Date,

(b) to deposit into the Principal Account on or before each Bond Principal Payment Date, the amount necessary, together with any money then on deposit in the Principal Account and available for that purpose, to pay the installment of Loan Repayments corresponding to principal due on the Bonds on such Bond Principal Payment Date,

(c) with respect to amounts coming due on the Bonds other than those already provided for by the preceding paragraphs (a) and (b), on or before each Bond Interest Payment Date or on or before each Bond Principal Payment Date, on which the balance in the Principal Account and Interest Account, respectively, is insufficient to make the payments required in respect of the principal of, premium, if any, and interest on the Bonds due on such Bond Interest Payment Date or Bond Principal Payment Date, respectively, to pay to the Bond Trustee in immediately available funds the full amount of the insufficiency immediately upon demand by the Bond Trustee,

(d) upon receipt from the Bond Trustee of an invoice, to pay to or upon order of the Bond Trustee, the Bond Trustee’s Expenses,

(e) upon receipt from the Authority of an invoice, to pay the Authority's Expenses, as more fully described in Section 9.9 hereof, directly to the Authority,

(f) to pay to the persons entitled to them any Issuing Expenses, and

(g) to pay any other amounts required of the University under any provision of this Loan Agreement or the Indenture at the times, in the amounts and in the manner provided herein and therein.

Section 3.4 Credits.

(a) If on any Bond Interest Payment Date or Bond Principal Payment Date there is money on deposit in the Principal Account or the Interest Account, the money is to be credited against the University's obligation with respect to the Loan Repayments as follows:

(i) any money on deposit in the Principal Account in excess of the amount which is then required to be on deposit in the Principal Account is to be credited against the obligation of the University to pay the Loan Repayments corresponding to principal of the Bonds as it becomes due, and

(ii) any money on deposit in the Interest Account in excess of the amount which is then required to be on deposit in the Interest Account is to be credited against the obligation of the University to pay the Loan Repayments corresponding to interest on the Bonds as it becomes due.

(b) The principal amount of the Bonds acquired by the University and delivered to the Bond Trustee for cancellation, or acquired by the Bond Trustee and canceled, will be credited against the obligation of the University to pay the Loan Repayments corresponding to principal of the Bonds on the dates and in the amounts corresponding to the dates and amounts of payments which are to be made upon the maturity of the Bonds delivered, subject to the provisions of the Indenture.

(c) Notwithstanding the provisions of (a) above, no credit is to be given if the money then on deposit in the Principal Account or the Interest Account (i) is required for the payment of the principal or premium due on any Bond (whether upon maturity, redemption, acceleration or otherwise) which has not been presented for payment, or (ii) is required for the payment of past due and unpaid interest on any Bond.

Section 3.5 Obligation of the University Unconditional. The University agrees that its obligation to make the payments described in this Agreement and to perform its obligations under this Agreement is absolute and unconditional and is not subject to diminution by any defense (other than payment), by any right of set off, counterclaim or abatement, by the happening or nonhappening of any event or for any other reason whatsoever.

Section 3.6 Pledge of this Agreement. Except for Unassigned Rights, all of the Authority's right, title and interest in this Agreement (including the right to receive the Loan Repayments to be made by the University pursuant to this Agreement) have been assigned to the Bond Trustee by the Indenture. The University consents to that assignment and agrees that the Bond Trustee may enforce any of the rights, privileges and remedies of the Authority under this Agreement other than the Unassigned Rights. In the event the Authority ceases operations, the Authority's right to execute and deliver amendments to this Agreement or the Indenture and to receive notices and other documents and to provide its consent, acceptance or approval with respect to matters as to which that right is given in this Agreement or the Indenture may be exercised and enforced by the Bond Trustee.

ARTICLE IV

THE PROJECT

Section 4.1 **Agreement To Complete the Project.** The University agrees to complete the Project substantially in accordance with the Plans and Specifications. The University agrees to deliver to the Authority upon its request and to the Bond Trustee upon its request the Plans and Specifications. The University will use its best efforts to complete the Project by the Project Account Closeout Date. The University also agrees to construct, acquire and install any additional land, improvements or equipment which are necessary, in the judgment of the University, for the operation of the Project.

The University also agrees to regularly review the progress of the Project and the amount of money in the Project Account and the Issuing Expenses Account for the purpose of determining whether Excess Funds exist. Immediately upon a determination that Excess Funds exist, the University agrees to instruct the Bond Trustee to immediately transfer the Excess Funds from the Project Fund to the Excess Funds Account, or if directed by the University, to the Principal Account or the Prepayment Account as provided in Section 505 of the Indenture, for application as provided in the Indenture.

The University generally agrees to use its best efforts to enforce any rights that it may have (whether under the Tax Certificate or otherwise, to the extent applicable) to ensure that the Authority complies with any and all obligations imposed upon it relative to the Project and ensuring that the uses of the Project will not adversely affect the tax-exempt status of the interest on the Bonds.

Section 4.2 **Project Changes.** The University may make changes in the Project after the date hereof if:

(a) the University delivers to the Bond Trustee an amended description of the Project which specifically identifies the additions, deletions or changes to the Project which the University wishes to make, and

(b) the changes proposed by the University will be lawful purposes under the Act, will be in conformity with the Tax Certificate and will not adversely affect the validity of the Bonds or cause an Event of Taxability to occur and an Opinion of Bond Counsel to that effect is delivered to the Bond Trustee.

Section 4.3 **Disbursements from the Project Fund.**

(a) Disbursements will be made from the Project Account either to pay Project Costs directly or to reimburse the University for Project Costs actually paid by it. Disbursements will be made by the Bond Trustee upon receipt of a requisition, upon which the Bond Trustee may conclusively rely, in substantially the form attached hereto as *Exhibit A-1* signed by the Authorized University Representative.

(b) Disbursements will be made from the Issuing Expenses Account either to pay Issuing Expenses directly or to reimburse the University for Issuing Expenses actually paid by it. Disbursements will be made by the Bond Trustee upon receipt of a written request, upon which the Bond Trustee may conclusively rely, in substantially the form attached hereto as *Exhibit A-2*, signed by the Authorized University Representative which identifies the Issuing Expenses for which payment or reimbursement is due and gives the name, address and amount then due to that person. Any proceeds remaining in the Issuing Expenses Account after payment of all Issuing Expenses shall be transferred to the Project Account upon the receipt by the Bond Trustee of written notice from the Authorized University Representative that all Issuing Expenses have been paid.

(c) The University agrees to indemnify the Authority and the Bond Trustee from any liability incurred in connection with any requisition approved by the Authorized University Representative. The University agrees that the Bond Trustee may withhold the disbursement of funds from the Project Account and the Issuing Expenses Account if the request for disbursement does not conform in all material respects to either Exhibit A-1 or Exhibit A-2 or if a Default or Event of Default has occurred and is continuing.

Section 4.4 Project Fund Insufficiency. If amounts in the Project Account available for payment of the Project Costs are insufficient to pay the costs of the Project in full, the University agrees to complete the Project at its own expense. If amounts in the Issuing Expenses Account available for the payment of Issuing Expenses are insufficient to pay Issuing Expenses in full, the University agrees to complete the payment of the Issuing Expenses from its own funds.

Section 4.5 Performance of the University's Obligations by the Authority or the Bond Trustee. In the event the University fails to perform its obligations under this Article after notice of its failure has been given to the University by the Authority or the Bond Trustee and the University has had a reasonable opportunity to cure its failure, the Authority or the Bond Trustee may (but is under no obligation to) perform the University's obligations for the University. Any money advanced by the Authority or the Bond Trustee in discharge of the University's obligations under this Article are additional obligations of the University to the one making the advance, are due from the University in immediately available funds on demand and bear interest at the Special Interest Rate from the date of the advance until paid.

Section 4.6 Inspection of the Project. The University agrees that each of the Authority, the Bond Trustee and the authorized agents of either of them, on reasonable prior notice and as often as the Authority and the Bond Trustee reasonably determine to be desirable (but neither shall be obligated to so undertake), (a) have the right at reasonable times to enter upon the Project and to examine and inspect them, (b) have the right to any access to the Project which is reasonably necessary to complete the Project or to repair and maintain the Project in the event the University fails to do so, (c) will be permitted to discuss the affairs and finances of the University with its officers and independent accountants, and (d) will be permitted at all reasonable times to examine and copy the books and records of the University with respect to the Project and the Project Property.

Section 4.7 Compliance with Governmental Rules. Subject to the following sentence, the University will, at its sole cost and expense, comply with all present and future laws, ordinances, orders, decrees, rules, regulations and requirements of every duly constituted governmental authority, commission and court (collectively a "***Governmental Rule***") of which the University has notice and the violation of which would materially and adversely affect the Project or its use, occupancy, or condition. The University is not required to comply with any Governmental Rule so long as the University, in good faith and at its own cost and expense, is contesting the validity of the Governmental Rule or its applicability to the University or is taking other appropriate action in an appropriate manner and by appropriate proceedings which operate during their pendency to prevent the sale, forfeiture, loss or loss of use and occupancy of the Project or any part thereof, provided that no contest, action or proceeding may subject the Authority or the Bond Trustee to any liability unless the University had indemnified the Authority or the Bond Trustee, as the case may be, to the satisfaction of the Authority or the Bond Trustee.

Section 4.8 Restricted Donations. The University agrees that if, while any Bonds are outstanding, it receives gifts, donations or other contributions, including proceeds of a fund-drive or capital campaign, which are restricted by the donor to the payment of costs of the Project or any part thereof (or to the repayment of indebtedness incurred to finance or refinance any portion of the Project), then the

University shall consult with Bond Counsel with respect to such contributions in order to assure that the application thereof is consistent with any applicable requirements of the Tax Certificate.

Section 4.9 **No Warranty as to Suitability of Project by Authority.** THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, WORKMANSHIP, OR THE ACTUAL OR DESIGNED CAPACITY OF ANY PART OF THE PROJECT OR THE SUITABILITY OF THE PROJECT FOR THE UNIVERSITY'S PURPOSES, OR FOR THE PURPOSES SPECIFIED IN THIS AGREEMENT, OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF THE BONDS WILL BE SUFFICIENT TO PAY THE COST TO BE INCURRED IN CONNECTION WITH THE PROJECT.

ARTICLE V

COVENANTS OF THE UNIVERSITY

Section 5.1 **Sufficient Revenues.** Notwithstanding any other provision of this Agreement, and in addition to the other payment obligations of the University under this Agreement, the University unconditionally agrees that it will pay pursuant to this Agreement the full amount needed and at the times needed, as Loan Repayments, to enable the Authority to make timely payment of the principal of (whether due upon maturity, redemption, acceleration or otherwise) premium, if any, and interest on the Bonds. The University further covenants and agrees to make payments which will be sufficient to pay the cost of maintaining, repairing and operating the Project and each and every portion thereof, to the extent that the payment of such cost has not otherwise been adequately provided for. Except to the extent (if any) otherwise expressly provided for in this Agreement, the Authority does not deem any special reserves to be necessary in connection with the Project.

Section 5.2 **Authority's Right to Perform the University's Covenants.** In addition to the rights given to the Authority and the Bond Trustee in Section 4.5, if the University fails to make any payment or perform any act required by this Agreement (unless the payment or performance is one which this Agreement permits the University to contest and the University is contesting it by diligently pursuing appropriate proceedings) then the Authority or the Bond Trustee, upon not less than ten days' prior written notice to the University, may (but is not obligated to) remedy the default for the account of the University and make advances for that purpose. No remedy by the Authority or the Bond Trustee shall operate to release the University from its default or obligates the Authority or the Bond Trustee to remedy any subsequent default for the account of the University. Any money advanced by the Authority or the Bond Trustee in the discharge of an obligation of the University under this Agreement are additional obligations of the University to the one making the advance, are due from the University in immediately available funds on demand and bear interest at the Special Interest Rate from the date of the advance until paid.

Section 5.3 **Release and Indemnification.** The University shall, to the extent permitted by law, at all times protect, indemnify and hold the Authority, the Governing Body and the Bond Trustee, and their respective members, directors, officers, employees, attorneys and agents (the "***Indemnified Parties***"), harmless against any and all liability, losses, damages, costs, expenses, taxes, causes of action, suits, claims, demands and judgments of any nature arising from or in connection with the Project or the financing or refinancing thereof, including, without limitation, all claims, liability, investigations or audits resulting from, arising out of or in connection with (1) the acceptance or administration of the Authority Documents or the trusts thereunder, (2) the issuance, sale, or delivery of the Bonds, (3) any federal or state laws (including but not limited to audits or other investigations under federal or state securities or tax laws by

the Internal Revenue Service, the Securities and Exchange Commission or similar securities or tax commissions of the State of South Carolina), (4) the performance of duties under the Authority Documents, or (5) any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project or the use thereof, including without limitation any lease thereof or assignment of its interest in this Agreement, such indemnification to include the reasonable costs and expenses of defending itself or investigating any claim of liability and other reasonable expenses and reasonable attorneys' fees incurred by the Indemnified Parties in connection therewith, provided that the benefits of this Section shall not inure to any person other than the Indemnified Parties, and provided further that, with respect to the University's obligations to indemnify the Bond Trustee and its members, directors, officers, employees, attorneys and agents only, such loss, damage, death, injury, claims, demands or causes shall not have resulted from the negligence or willful misconduct of the Bond Trustee, its members, directors, officers, employees, attorneys or agents. The obligations of the University under this Section shall survive the termination of this Agreement and the Indenture. Notwithstanding any other provision of this Agreement or the Indenture to the contrary, the University, to the extent permitted by law, agrees (i) not to assert any claim or institute any action or suit against the Bond Trustee or its employees arising from or in connection with any investment of funds made by the Bond Trustee as directed by an Authorized University Representative, and (ii) to indemnify and hold the Bond Trustee and its employees harmless against any liability, losses, damages, costs, expenses, causes of action, suits, claims, demands and judgments of any nature arising from or in connection with any such investment.

Notwithstanding the fact that it is the intention of the parties hereto that none of the Indemnified Parties shall incur any pecuniary liability by reason of the terms of this Loan Agreement, the Indenture, any related agreements, or the undertakings required of the Authority and the Bond Trustee hereunder and thereunder by reason of the issuance and sale of the Bonds, the execution of documents relating to the Bonds, or the performance of any act requested of the Authority or the Bond Trustee by the University, including, to the extent permitted by law, all claims, liabilities, or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing; nevertheless, if an Indemnified Party shall incur any such pecuniary liability, then in such event the University shall, to the extent permitted by law, indemnify and hold the Indemnified Party harmless against all claims by or on behalf of any person, firm, or corporation or other legal entity arising out of the same and all reasonable costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon. Upon notice from an Indemnified Party in any such action or proceeding, the University shall have complete and final control over the defense and settlement of any such action the University so assumes; provided that the University shall not be entitled to settle any matter at the separate expense or liability of the Indemnified Parties without the Indemnified Party's consent, such consent not to be unreasonably withheld. If called upon to provide indemnity under this Section, the University shall be subrogated to the rights of the Indemnified Party. Notwithstanding the foregoing, in the event the Indemnified Party is the Authority and the Authority reasonably believes there are defenses available to it that are not being pursued, the Authority may, in its sole discretion, hire independent counsel to pursue its own defense, and the University shall be liable for the reasonable cost of such counsel.

If any suit, claim, demand, action or proceeding is brought against the Authority or the Bond Trustee with respect to which indemnity may be sought under this Section, the Authority and the Bond Trustee, as the case may be, agree to promptly notify the University in writing and the University agrees to assume the defense of the suit, claim, demand, action or proceeding including the employment of Counsel and the payment of all expenses to the extent provided in this Section 5.3. Each of the Authority and the Bond Trustee may, however, retain its own counsel and still be indemnified against the cost of employing counsel and all other expenses despite an assumption of the defense by the University if (but only if) the Authority or the Bond Trustee (respectively) believes in good faith that there are defenses available to the

Authority or the Bond Trustee which are not available to the University or which are adverse to or in conflict with those available to the University and which the Authority or the Bond Trustee believes in good faith cannot be effectively asserted by common counsel. The Authority and the Bond Trustee (respectively) always have the right to employ separate Counsel but, subject to the preceding sentence, the fees and expenses of its separate Counsel must be paid by the Authority or the Bond Trustee unless the University and the Authority or the Bond Trustee have mutually agreed to the employment of the Authority's or the Bond Trustee's separate Counsel.

This indemnification covenant shall be in addition to any heretofore extended by the University to any Indemnified Party and shall survive the termination of this Agreement with respect to liability arising out of any event or act occurring prior to such termination. The Authority may require advance payment or assurance of payment for any reasonable fees, expenses, or costs incurred or expected to be incurred by it in connection with the performance of any act or thing it may be called upon to do under the terms of this Agreement.

Section 5.4 **Notice of Default.** The University agrees to give to the Bond Trustee notice as provided in Section 9.6 of any Default, as soon as reasonably practicable but in any event within ten days of the University or any of its executive officers learning of the occurrence of the Default.

Section 5.5 **Maintenance of Tax Status.** The University and any successor of the University agrees that it will at all times maintain its existence as a nonprofit corporation and its status as an organization described in Section 501(c)(3) of the Code and exempt from federal income taxation under Section 501(a) of the Code unless it has delivered to the Authority and the Bond Trustee an Opinion of Bond Counsel to the effect that its failure to do so will not adversely affect the validity of the Bonds or cause an Event of Taxability to occur. The University agrees that it will not take any action or permit any action to be taken by others which will adversely affect its agreement made in this Section 5.5.

Section 5.6 **No Inurement.** The University agrees that none of its revenues, income or profits, whether realized or unrealized, will be distributed to any of its directors or inure to the benefit of any private Person other than for the lawful corporate purposes of the University, provided that the University may pay to any Person the value of any service performed or for any product supplied to the University by that Person.

Section 5.7 **Financial Information and Reports.** The University agrees to keep proper books of record and account in which full, true and correct entries will be made of all the University's business and affairs in accordance with generally accepted accounting principles consistently applied.

Section 5.8 **Tax-Exempt Bonds.** The University and Authority intend that the interest paid on the Bonds will be excluded from the gross income of the Owners of the Bonds for federal income tax purposes pursuant to Section 103 of the Code. The University agrees that it will not take any action which would, or fail to take any action the omission of which would, cause an Event of Taxability to occur.

Section 5.9 **Investments and Arbitrage.**

(a) Section 601 of the Indenture provides that money on deposit in the Indenture Funds will be invested in Qualified Investments as directed in writing by the University. The University agrees (i) to provide written investment instructions to the Bond Trustee as needed, (ii) that all of its investment instructions are subject to the provisions of Article VI and Article IX of the Indenture, and (iii) that it will not make or direct any use of any funds which will cause the Bonds to be Arbitrage Bonds.

(b) The University agrees for the benefit of the Registered Owners of the Bonds that no use will be made of the proceeds derived from the issuance and sale of the Bonds which will cause the Bonds to be Arbitrage Bonds.

(c) The University agrees to take any actions and to make or cause to be made any calculations, transfers and payments that may be necessary to comply with the rebate requirements of Section 148(f) of the Code. The agreements of the University contained in this Section survive the termination of this Agreement and the Indenture and remain in full force and effect until the University and the Authority have fully complied with its final obligations under Section 148(f) of the Code with respect to the Bonds.

(d) The University and the Authority acknowledge that regulations of the Comptroller of the Currency grant the University and the Authority the right to receive brokerage confirmation of security transactions as they occur. The University and the Authority specifically waive such right to notification to the extent permitted by law and acknowledge that it will receive periodic transaction statements that will detail all investment transactions.

Section 5.10 Ownership and Use of the Project.

(a) The University agrees that it will not cease to own any portion of the Project Property except in compliance with any applicable provisions of the Tax Certificate. The University agrees that any proceeds realized from the disposition of any Project Property as provided in the preceding sentence will be used in a manner consistent with the Tax Certificate and the Act. Any Project Property so disposed of will no longer be treated as Project Property for purposes of this Agreement.

(b) Other than with respect to renewals and replacements in the ordinary course of business, the University agrees that any material amounts received by it constituting (i) proceeds from the sale or other disposition of all or any part of the Project, (ii) insurance proceeds with respect to any casualty loss to all or any part of the Project, or (iii) condemnation awards or payments in lieu thereof relating to all or any part of the Project shall be applied consistent with the applicable requirements, if any, in the Tax Certificate.

(c) The University agrees that it will not lease or otherwise permit others to use any portion of the Project Property in a manner which would adversely affect the validity of the Bonds or cause an Event of Taxability to occur.

(d) The University agrees that it will not use, or permit use of, the Project Property and the Project except in furtherance of the lawful corporate purposes of the University.

Section 5.11 Continuing Disclosure. Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, the Authority covenants to file with a central repository for availability in the secondary bond market when requested: (a) an annual independent audit, within 30 days of the Authority's receipt of the audit; and (b) event specific information within 30 days after the Authority's actual knowledge of an event adversely affecting more than five percent of the revenues and receipts derived by the Authority pursuant to this Agreement. If requested pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, the University agrees to promptly notify the Authority of any event described in clause (b) above and to provide all information requested by the Authority to comply with this Section 5.11. The only remedy for failure by the Authority to comply with the covenant in this Section 5.11 shall be an action for specific performance of this covenant. The Authority specifically reserves the right to amend this covenant to reflect any change in Section 11-1-85, without the consent of any Owner. The University covenants to furnish all information requested by the Authority to comply with such Section. The University hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing

Disclosure Agreement. Notwithstanding any other provision of this Agreement, failure of the University to comply with this Section 5.11 or the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Bond Trustee, at the written request of any participating underwriter or the Registered Owners of at least 25% in aggregate principal amount of the Outstanding Bonds and upon being satisfactorily indemnified, shall, or any other holder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the University to comply with its obligations under the Continuing Disclosure Agreement. For purposes of this Section, the term “other holder” means any Person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including Persons holding bonds through nominees, depositories, or other intermediaries, or (ii) is treated as the owner of any Bonds for federal income tax purposes. The Bond Trustee may rely on an Opinion of Counsel in determining whether any Person is a participating underwriter for purposes of this Section 5.11 and the Continuing Disclosure Agreement.

Section 5.12 **Covenant Against Use for Religious Purposes.** The University covenants that neither the Project nor the proceeds of the Bonds will be used for sectarian instruction or as a place of religious worship or used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

Section 5.13 **Maintenance of Corporate Existence.** The University shall maintain its existence as a South Carolina nonprofit corporation and shall not dissolve (whether by merger, consolidation or otherwise) or sell, lease or dispose of all or substantially all of its assets, in any such case without (a) either (i) receipt, as consideration for such sale, lease or disposition, of services or property equal to or greater than the fair market value of such assets or (ii) the consent of Owners of a majority in aggregate principal amount of all Bonds then Outstanding; (b) the written consent of the Authority; and (c) delivery to the Authority and the Bond Trustee of an Opinion of Bond Counsel that such action shall not cause an Event of Taxability to occur.

The University shall give the Authority written notice of any merger or consolidation of the University, any sale, lease or transfer of substantially all of its assets or the assets of the Project or change in the name or the location of its books and records or of any substantial changes in its business structure, or the nature of the operations conducted at the Project within 30 days following the occurrence of such event.

Section 5.14 **Insurance.** The University covenants that it will maintain or cause to be maintained insurance, if commercially available, of such type, against such risks and in such amounts, with insurance companies, captive insurance companies or by means of self-insurance, as are customarily carried by private universities of a nature similar to that of the University, which insurance shall include property damage, fire and extended coverage, public liability, and property damage liability insurance.

Section 5.15 **Status; Operation of Project.** The University agrees, for so long as the Bonds are Outstanding, to remain an institution for higher education and to operate the Project as a “business enterprise” within the meaning of the Act and in a manner consistent with the Act and the tax-exempt status of the interest on the Bonds and that, in the operation of the Project, there shall be no discrimination against any person based on race, creed, color or national origin, all within the meaning of the Act.

Section 5.16 **University Approval of Indenture.** The University understands that the Authority will, pursuant to the Indenture and as security for the payment of the principal of, premium, if any, and the interest on the Bonds, assign and pledge to the Bond Trustee, and create a security interest in favor of the Bond Trustee in certain of its rights, title and interest in and to this Agreement (including all payments hereunder) reserving, however, certain reserved rights of the Authority (e.g. the Unassigned Rights); and

the University hereby agrees and consents to such assignment and pledge. The University acknowledges that it has received a copy of the Indenture for its examination and review. By its execution of this Agreement, the University acknowledges that it has approved, has agreed to and is bound by the provisions of the Indenture. The University agrees that the Bond Trustee shall be entitled to enforce and to benefit from the terms and conditions of this Agreement that relate to it notwithstanding the fact that it is not a signatory hereto.

ARTICLE VI

PREPAYMENT

Section 6.1 **Prepayment Generally.** The University may prepay the Loan to the extent and in the manner permitted by the Indenture with respect to the corresponding redemption of Bonds. If a prepayment is made in compliance with the terms of the Indenture, the Authority agrees to accept prepayment of the Loan to the extent required to provide for a permitted redemption of the Bonds. No other prepayment of the Loan is permitted.

Section 6.2 **Notice of Prepayment.** The University agrees to give the Authority and the Bond Trustee not less than 45 days' prior written notice of any prepayment of the Loan through a corresponding optional redemption of the Bonds pursuant to the Indenture, which notice shall designate the date and amount of the prepayment and direct such redemption of Bonds in an amount corresponding to the amount of the Loan to be prepaid.

Section 6.3 **Effect of Partial Prepayment.** Upon any prepayment of Loan Repayments corresponding with a partial redemption of the Bonds, each installment of Loan Repayments corresponding to interest which is thereafter due on the Bonds shall be reduced by taking into account the interest rate or rates on the Bonds which remain outstanding after the partial redemption of the Bonds from the proceeds of the such partial prepayment of the Loan so that the Loan Repayments corresponding to interest remaining payable on the Bonds is sufficient to pay the interest on Outstanding Bonds when due.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1 **Events of Default.** The occurrence and continuance of any of the following events is an Event of Default under this Agreement:

(a) Failure by the University to pay when due any Loan Repayments corresponding to amounts owing in respect of the principal of (whether at maturity, redemption, acceleration or otherwise), premium, if any, or interest on the Bonds when due; or

(b) Failure by the University to timely make any payment required to be made pursuant to Section 3.3 (other than such failures as result in an Event of Default under Section 7.1(a)) or to observe and perform any other covenant, condition or agreement in this Agreement to be observed or performed by it, other than those described in Section 7.1(a), for a period of 30 days after written notice specifying the failure and requesting that it be remedied is given to the University by the Bond Trustee, provided that if the failure is one which can be remedied but cannot be remedied within that 30-day period (as certified in writing by the University), the Bond Trustee will grant an extension of the 30-day period if the University institutes corrective action within that 30-day period and diligently pursues that action until the default is remedied; or

(c) An event of default shall occur under the Indenture; or

(d) The entry of a decree or order for relief against the University, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the University under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, custodian, assignee, or sequestrator (or other similar official) of the University or of any substantial part of its Property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or

(e) The institution by the University of proceedings for an order for relief, or the consent by it to an order for relief against, or the filing by it of a petition or answer or consent seeking reorganization, arrangement, adjustment, compensation or relief under the United States Bankruptcy Code or any other similar applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, custodian, assignee, trustee or sequestrator (or other similar official) of the University or of any substantial part of its Property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due.

Section 7.2 Remedies.

(a) Upon the occurrence of an Event of Default, the Authority may, and upon receipt from the Registered Owners of at least 25% of the principal amount of the Bonds then Outstanding of a request to do so shall, by written notice to the Bond Trustee, request that the Bond Trustee declare the principal of the Bonds (if not then due and payable) to be due and payable immediately subject to the provisions of the Indenture regarding waiver of events of default, anything in this Agreement contained to the contrary notwithstanding.

(b) Upon the occurrence of an Event of Default, the Authority may, in its discretion, proceed to protect and enforce its rights by pursuing any available remedy including a suit or suits in equity or at law, whether for damages or for the specific performance of any obligation, covenant or agreement contained in this Agreement or in the Indenture, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable remedy, as the Authority shall deem most effectual to collect the Loan Repayments then due and thereafter to become due with respect to amounts owing on the Bonds, or to enforce performance and observance of any obligation, agreement or covenant of the University hereunder or under the Indenture or to protect and enforce any of the Authority's rights or duties hereunder.

(c) None of the Authority's remedies under this Agreement is exclusive of any other remedy or remedies. Each remedy given to the Authority is cumulative and is in addition to every other remedy which is given or which now or hereafter exists at law, in equity or by statute.

(d) No delay or omission by the Authority in the exercise of any right or power accruing upon an Event of Default impairs the right or power or is a waiver of or acquiescence in any Event of Default. Every right and power given by this Agreement to the Authority may be exercised from time to time and as often as may be deemed expedient by the Authority.

(e) No waiver of any Event of Default extends to or affects any subsequent Event of Default or impairs any rights or remedies consequent thereon.

Section 7.3 Application of Proceeds.

(a) If the Loan Repayments corresponding to principal of the Bonds are not due, whether by declaration by the Bond Trustee pursuant to the Indenture or otherwise, then any money received by the Authority or the Bond Trustee as a result of the exercise of one or more of the remedies granted by the Indenture or this Loan Agreement will be applied as set forth in Section 804(a) of the Indenture.

(b) If the Loan Repayments corresponding to principal of the Bonds are due, whether by declaration by the Bond Trustee pursuant to the Indenture or otherwise, then any money received by the Authority or the Bond Trustee as a result of the exercise of one or more of the remedies granted by the Indenture or this Loan Agreement will be applied as set forth in Section 804(b) of the Indenture.

Section 7.4 Waivers of Events of Default. The Authority may waive any Event of Default under this Agreement and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds, and must do so upon receipt of a written request of the owners of a majority of the principal amount of the Bonds then Outstanding.

There may not be waived under the provisions of this Section, however, any Event of Default described in Section 7.1(a) unless, prior to the waiver, all arrears of principal, premium and interest and all expenses of the Authority and the Bond Trustee in connection with the Event of Default have been paid or provided for.

If any waiver or proceeding taken by the Bond Trustee on account of any Event of Default is discontinued, abandoned or determined adversely, then the Authority, the University, the Bond Trustee and the Registered Owners will be restored to their former positions and rights under this Agreement. No waiver under this Section, whether by the Bond Trustee or the Registered Owners, extends to or affects any subsequent or other Event of Default or impairs any rights or remedies consequent thereon.

Section 7.5 Remedies Subject to Law. All rights, remedies and powers given to the Authority by this Article may be exercised only to the extent that the exercise does not violate any applicable provision of law. All the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement invalid or unenforceable under the provisions of any applicable law.

ARTICLE VIII

SUPPLEMENTS AND AMENDMENTS TO THIS AGREEMENT

Section 8.1 Supplements and Amendments to this Agreement. This Agreement may be amended or supplemented only as may be permitted under the applicable provisions of the Indenture.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Binding Effect. This Agreement inures to the benefit of and is binding upon the Authority, the University and their respective successors, assigns, personal representatives and heirs.

Nothing in this Agreement, express or implied, is intended to confer upon any person other than the University, the Authority and the Bond Trustee any right, remedy or claim under or by reason of this Agreement.

Section 9.2 **Severability.** In the event any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the holding is not to invalidate or render unenforceable any other provision of this Agreement.

Section 9.3 **Execution in Counterparts.** This Agreement may be simultaneously executed in several counterparts each of which is an original and all of which constitute the same instrument.

Section 9.4 **Non-Business Days.** When any action is provided for herein to be done on a day named or within a specified time period, and the day or the last day of the period falls on a day other than a Business Day, such action may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period.

Section 9.5 **Limitation on Interest.** No provision of this Agreement is intended to require the payment or permit the collection of interest in excess of the maximum permitted by law. If any provision of this Agreement requires payment of interest in an amount in excess of the maximum permitted by law, the University is not obligated to pay any interest in excess of the amount permitted by law. This provision controls any provisions of this Agreement inconsistent with it.

Section 9.6 **Notices.** Except as otherwise required by this Loan Agreement, all notices, approvals, consents, requests, certificates or other communications hereunder shall be given in writing and shall be deemed given when mailed by certified or registered mail, postage prepaid, dispatched by telegram, addressed, or emailed to the applicable address as set forth below, unless notice of a different address is given as provided in this Section 9.6. Any communication sent to the Bond Trustee hereunder or pursuant to the Indenture shall be in the form of document that is signed manually or by way of digital signature provided by DocuSign (or such other digital signature provider as specified in writing to the Bond Trustee), in English. Except only for its own gross negligence, willful misconduct, or criminal activity, the Bond Trustee shall not bear or assume any risks or liability arising out of the use of digital signatures and electronic methods of communications, including the risk of Bond Trustee acting on unauthorized instructions and the risk of interception and misuse by third parties.

if to the Authority, at

South Carolina Jobs-Economic Development Authority
1201 Main Street, Suite 1600
Columbia, South Carolina 29201
Attention: Executive Director

if to the University, at

Furman University
3300 Poinsett Highway
Greenville, South Carolina 29613
Attention: Vice President for Finance and Administration

if to the Bond Trustee, at

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, South Carolina 29201
Attention: Corporate Trust Department

If to the Underwriters, at

c/o Raymond James & Associates, Inc.
1100 Ridgeway Loop, Third Floor
Memphis, Tennessee 38120
Attention: Public Finance

and

c/o Wells Fargo Bank, National Association
550 S. Tryon Street, 5th Floor
Charlotte, North Carolina 28202-4200
MAC: D1086-051
Attention: Higher Education & Nonprofit

If to a Rating Agency, at

if S&P is then rating the Bonds,

S&P Global Ratings
55 Water Street, 38th Floor
New York, New York 10041
Attention: Public Finance Department - Structured Finance Group
pubfin_structured@sandp.com

if Moody's is then rating the Bonds,

Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street
New York, New York 10007

if Fitch is then rating the Bonds,

Fitch Ratings, Inc.
Broad Financial Center
33 Whitehall Street
New York, New York 10004
Attention: Municipal Structured Finance

A duplicate copy of any notice, certificate or other communication given under this Section is also to be given to the Bond Trustee. The Authority, the University, the Bond Trustee and the Underwriters may, by notice given under this Section, designate any further or different addresses to which subsequent notices, certificates or other communications are to be sent.

Section 9.7 **Immunity.** To the extent permitted by law, no recourse may be had for the payment of the principal of, or premium, if any, or interest on any Loan Repayments, or for any claim based on it or on this Agreement or any agreement supplemental to this Agreement, against any member, director, trustee, officer, employee or agent, past, present or future, of the University, or any predecessor or successor corporation, as such, either directly, or through the University or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by a constitution, statute or otherwise, of members, directors, trustees, officers, employees or agents, as such, being released as a condition of and consideration for the execution of this Agreement and of the issue of the Bonds.

Section 9.8 **Limited Obligations of Authority; Limitation of Liability.** The Bonds shall be limited obligations of the Authority. The Bonds and the interest thereon and redemption premium, if any, shall not be deemed to constitute or create a debt or liability of the Authority or the State or of any political subdivision of the State (other than an indebtedness payable only from a revenue-producing project or special source within the meaning of Article X, Section 13(9) of the Constitution of the State, which source of payment does not include revenues from any tax or license) or a pledge of the faith and credit of the Authority or the State or of any political subdivision of the State. Neither the State nor the Authority shall be obligated to pay the Bonds or the interest thereon except from amounts to be paid by or on behalf of the University pursuant to the Loan Agreement. Neither the faith and credit of the Authority or the State or any political subdivision of the State nor the taxing power of the State or of any political subdivision of the State within the meaning of any State constitutional provision or statutory limitation is pledged to the payment of the principal of or the interest on the Bonds. The Bonds shall be payable solely from and secured by the Revenues and the other items comprising the Trust Estate, all as described in and subject to limitations set forth in the Indenture, for the equal and ratable benefit of the owners, from time to time, of the Bonds. The Bonds and the interest and any premium, if any, thereon do not and shall never constitute an obligation or indebtedness of the Authority or of the State or of any political subdivision of the State within the meaning of any State constitutional provision or statutory limitation (other than an indebtedness payable only from a revenue-producing project or special source within the meaning of Article X, Section 13(9) of the Constitution of the State, which source of payment does not include revenues from any tax or license) and do not and shall never constitute or give rise to a pecuniary liability of the Authority or of the State or any agency or political subdivision of the State or a charge against the general credit of the Authority or the State or any agency or political subdivision of the State or the taxing powers of the State or any political subdivision thereof. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Authority has no taxing power. No Owner of any Bond shall have the right to demand payment of the principal of, or premium, if any, or interest on any bond from any funds raised by taxation.

No breach by the Authority of this Agreement or the Bonds or of any provision or condition hereof or in the Bonds shall result in the imposition of any pecuniary liability upon the Authority or the State or any charge upon the general credit of the Authority or the State or upon the taxing power of the State. The liability of the Authority under this Agreement and the Bonds, or any provision or condition hereof or thereof, shall be limited solely and exclusively to the Revenues derived by the Authority from the University under this Agreement. The Authority shall not be required to execute or perform any of its duties,

obligations, powers, or covenants hereunder or under the Bonds except to the extent that revenues are available therefor. The Authority may require, as a condition to the participation by it with the University in obtaining any license, permit or other approvals, a deposit by the University of such amount as determined by the Authority to be reasonable to assure the reimbursement to the Authority of the costs incurred by it in such participation, with any amount of such deposit in excess of such costs to be returned to the University.

No covenant, agreement, or obligation contained in this Agreement or in the Bonds shall be deemed to be a covenant, agreement, or obligation of any present or future director, member, officer, employee, or agent of the Authority in their individual capacity, and neither the members of the Authority nor any officer thereof executing this Agreement or the Bonds shall be liable personally on the Bonds or under this Agreement or be subject to any personal liability or accountability by reason of the issuance, execution, or delivery of the Bonds. No officer, director, member, employee, or agent of the Authority shall incur any personal liability with respect to any other action taken, or not taken, by them pursuant to this Agreement, the Indenture, or the Act, provided they do not act with malicious intent.

The provisions of this Section shall control every other provision of this Agreement, anything to the contrary notwithstanding.

Section 9.9 Authority Fees and Expenses. The University agrees to pay promptly upon demand therefor all costs paid, incurred or charged by the Authority in connection with the Bonds, including without limitation, (i) all fees required to be paid to the Authority with respect to the Bonds, (ii) all out of pocket expenses and Issuing Expenses (including reasonable fees and expenses of attorneys employed by the Authority) reasonably incurred by the Authority in connection with the issuance of the Bonds, or any action by the Internal Revenue Service, the Securities and Exchange Commission, or any state securities regulators, and (iii) all out of pocket expenses (including reasonable fees and expenses of attorneys employed by the Authority) reasonably incurred by the Authority in connection with the enforcement of any of its rights or remedies or the performance of its duties under the Bond Indenture or this Loan Agreement or in connection with any governmental inquiry and/or audit in connection with the Bonds.

The University also shall pay the Authority, in each year so long as the Bonds are Outstanding the Authority's Expenses, including reasonable counsel fees, directly related to the Project, the Bonds, or the administration of this Loan Agreement, the Bond Indenture and any related documentation. The University further agrees to pay to the Authority when due, the Authority's Annual Fee (hereinafter defined) beginning on January 1, 2025 and on each January 1 thereafter for so long as the Bonds are Outstanding. For purposes of this Section 9.9, "**Authority's Annual Fee**" shall mean a fee paid annually to the Authority in an amount equal to the lesser of \$10,000 or an amount equal to 0.015% of the principal amount of the Bonds Outstanding on such fee payment date (after giving effect to any redemption occurring on such date), for so long as the Bonds are Outstanding, provided, however, that the amount of the Authority's Annual Fee shall never be less than \$500. Notwithstanding the foregoing, the University shall not be required to pay annual fees to the Authority in an aggregate dollar amount, with respect to the Bonds and all other bonds issued by the Authority for the benefit of the University, in excess of \$25,000.

[Signatures begin on the following page]

The University and the Authority have executed and sealed this Agreement by their duly authorized officers.

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Jesse Smith
Executive Director

[SEAL]

FURMAN UNIVERSITY

By: _____
Susan Maddux
Vice President for Finance and Administration

[SEAL]

EXHIBIT A-1 - REQUISITION FORM

REQUISITION FORM
(Project Account)

NO. _____

TO: U.S. Bank Trust Company, National Association,
as Bond Trustee
1441 Main Street, Suite 775
Columbia, South Carolina 29201

THIS TO CERTIFY:

1. With regard to the Loan Agreement dated as of May 1, 2024 (the “*Loan Agreement*”), by the South Carolina Jobs-Economic Development Authority (the “*Authority*”) and Furman University (the “*University*”), the following information is submitted with respect to the Project Costs (as defined in the Loan Agreement):

(a) The amount to be paid: \$_____

(b) The nature of the purpose of the obligation for which this payment is requested is:

(c) The name and address of the person, firm or corporation to whom such obligation is owed or to whom a reimbursable advance has been made:

2. With respect to Project Costs, the undersigned hereby certifies as follows:

(a) the Project Costs for which payment is being requested (A) have been paid or incurred in the amount and for the purpose specified, (B) have not been the subject of any previous request for payment, and (C) if this request is for an amount to reimburse the University for an expenditure paid by the University prior to the date on which the Bonds were issued, specifies the prior cost,

- (b) no Default or Event of Default (as such terms are defined in the Loan Agreement) has occurred and is continuing and that nothing has occurred to the knowledge of the University which prevents the performance by the University of its obligations under the University's Documents (as such term is defined in the Loan Agreement), and
 - (c) all requirements of the University's Documents relevant to the disbursement of money from the Project Fund (as such term is defined in the Loan Agreement) have been met.
3. The University has retained in its records copies of any invoices, receipts, canceled checks, payroll records and other data which are reasonably required to evidence the paying or incurring of any Project Costs for which payment is being requested. Such records will be made available upon request.

FURMAN UNIVERSITY

By: _____
Authorized University Representative

_____, 20____

**EXHIBIT A-2
TO
LOAN AGREEMENT**

REQUISITION FORM
(Issuing Expenses Account)

NO. _____

TO: U.S. Bank Trust Company, National Association,
as Bond Trustee
1441 Main Street, Suite 775
Columbia, South Carolina 29201

THIS IS TO CERTIFY:

1. With regard to the Loan Agreement dated as of May 1, 2024 (the “*Loan Agreement*”), by the South Carolina Jobs-Economic Development Authority (the “*Authority*”) and Furman University (the “*University*”), the following information is submitted with respect to the Issuing Expenses (as defined in the Loan Agreement):

(a) The amount to be paid: \$ _____

(b) The nature of the purpose of the obligation for which this payment is requested is:

(c) The name and address of the person, firm or corporation to whom such obligation is owed or to whom a reimbursable advance has been made:

FURMAN UNIVERSITY

By: _____
Authorized University Representative

_____, 20__

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FORM OF BOND COUNSEL OPINION

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

May 8, 2024

South Carolina Jobs-Economic
Development Authority
Columbia, South Carolina

U.S. Bank Trust Company, National Association,
as Bond Trustee
Columbia, South Carolina

Raymond James & Associates, Inc.
as Representative of the Underwriters
Memphis, Tennessee

§[Par]
***South Carolina Jobs-Economic Development Authority
Educational Facilities Revenue Bonds
(Furman University)
Series 2024***

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the South Carolina Jobs-Economic Development Authority (the “**Authority**”) of the bonds captioned above (the “**Bonds**”).

The Bonds are issued pursuant to Title 41, Chapter 43 of the Code of Laws of South Carolina, 1976, as amended (the “**Act**”), under an Indenture of Trust dated as of May 1, 2024 (the “**Trust Indenture**”) between the Authority and U.S. Bank Trust Company, National Association, as bond trustee (in such capacity, the “**Bond Trustee**”), and under a resolution adopted by the Board of Directors of the Authority on April 17, 2024. The Bonds are issued for the purposes of providing funds for the making of a loan (the “**Loan**”) from the Authority to Furman University, a South Carolina nonprofit corporation (the “**Borrower**”), pursuant to that certain Loan Agreement dated as of May 1, 2024 (the “**Loan Agreement**”) between the Authority and the Borrower. The Loan is intended to provide a source of funds to assist the Borrower in financing the Project as defined and more particularly described in the Loan Agreement.

The Bonds are initially issued as a single certificate in fully-registered form, dated the date of this opinion, and numbered R-1 upward. The Bonds bear interest from their dated date payable in accordance with the terms provided therein and mature on April 1, 2034. The Bonds are subject to

redemption upon the terms and conditions and at the price or prices (as applicable) set forth in the Bonds, the Trust Indenture and the Loan Agreement.

In connection with the foregoing, we have examined (a) the Trust Indenture; (b) the Loan Agreement; (c) the Tax Certificate dated as of May 8, 2024 (the “*Tax Agreement*”) among the Authority, the Borrower, and the Bond Trustee (the Trust Indenture, the Loan Agreement and the Tax Agreement being referred to collectively herein as the “*Bond Documents*”); and (d) such other records and documents as we have considered necessary or appropriate in rendering the following opinions. We have also examined the fully executed Bonds.

In connection with the issuance of the Bonds, we have relied on a certified copy of the record of proceedings filed with the Secretary of State of the State of South Carolina (the “*State*”), executed originals of the Bond Documents and other proofs submitted to us, including the Constitution and laws of the State, without undertaking to verify the same by independent investigation.

As to questions of fact material to the opinions hereinafter expressed, we have relied upon representations of the Authority, the Borrower, and other parties 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 Authority 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 rendering the opinions expressed below, we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State, and the opinions expressed below 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 as of the date hereof and under existing law that:

1. The Trust Indenture creates a valid pledge of the Trust Estate, as defined in the Trust Indenture, for payment of the Bonds pursuant to the terms of the Trust Indenture. The Bonds are secured in the manner and the extent prescribed by the Trust Indenture.

2. The Authority has authorized the execution, delivery and performance of the Bond Documents to which it is a party by all necessary action and has duly executed and delivered each of the Bond Documents to which it is a party. Each of the Bond Documents to which the Authority is a party constitutes the legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms.

3. The Bonds have been duly authorized, executed and delivered in accordance with the provisions of the Act and constitute legal, valid and binding special obligations of the Authority enforceable against the Authority in accordance with their terms and the terms of the Trust Indenture.

4. Interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal individual alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion set forth in the preceding sentence is subject to the condition that the Authority and the Borrower comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Authority and the Borrower have each 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. We express no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

5. The Bonds and the interest thereon are exempt from all State of South Carolina, county, school district, municipal and all other taxes or assessments of the State of South Carolina, except inheritance, estate, transfer or certain franchise taxes. Furthermore, it should be noted that South Carolina Code Annotated Section 12-11-20 imposes on every bank engaged in business in the State of South Carolina a fee or franchise tax computed on the entire net income of such bank which includes interest paid on the Bonds. We express no opinion regarding other state tax consequences arising with respect to the Bonds.

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

Certain indemnity provisions may be unenforceable pursuant to court decisions invalidating those types of agreements on public policy grounds. Further, the rights of the registered owner of the Bonds and the enforceability of the Bonds and the Bond Documents may be subject to judicial discretion, the valid exercise of the sovereign police powers of the State and the constitutional powers of the United States of America, and valid bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, as well as other equitable principles.

The Trust Indenture and the Loan Agreement permit certain future actions to be taken or avoided following the delivery to specified recipients of a subsequent bond counsel opinion. No opinion is expressed herein as to the excludability of interest on the Bonds from gross income of the owners thereof for federal income tax purposes as a result of any such future actions which are taken or avoided. In the event that such a subsequent bond counsel opinion is obtained, such opinion will be

South Carolina Jobs-Economic Development Authority
U.S. Bank Trust Company, National Association, as Bond Trustee
Raymond James & Associates, Inc.
May 8, 2024
Page 4

the only opinion that any person will be entitled to rely upon with respect to the matters addressed therein and the foregoing opinions shall not be deemed to address such matters.

This opinion is delivered solely for your benefit in connection with the issuance of the Bonds and consummation of the transaction contemplated thereby and may not be used or relied on by any other person or for any other purpose without our prior written consent in each instance. Our opinions expressed herein are as of the date hereof, and we undertake no obligation to advise you of any changes of applicable law or any other matters that may come to our attention after the date hereof that may affect our opinions expressed herein.

Very truly yours,

PARKER POE ADAMS & BERNSTEIN LLP

APPENDIX E

FORM OF DISCLOSURE DISSEMINATION AGREEMENT

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FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of _____, 2024, is executed and delivered by Furman University (the “University”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the University in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the University through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the University or anyone on the University’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the annual financial statements of the University for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the University and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the University pursuant to Section 9 hereof.

“Disclosure Representative” means the Vice President for Finance and Administration of the University or his or her designee, or such other person as the University shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the University's failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shutdown of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“Issuer” means South Carolina Jobs-Economic Development Authority.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the University, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the University in connection with the Bonds, as listed in Exhibit A.

“Trustee” means the institution, if any, identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The University shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than February 1 following the end of each fiscal year of the University, commencing with the fiscal year ending June 30, 2024. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the University of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the University will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the University irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the University are prepared but not available prior to the Annual Filing Date, the University shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, if any, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the University pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 1. “Principal and interest payment delinquencies;”
 2. “Non-Payment related defaults, if material;”

3. “Unscheduled draws on debt service reserves reflecting financial difficulties;”
 4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”
 5. “Substitution of credit or liquidity providers, or their failure to perform;”
 6. “Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;”
 7. “Modifications to rights of securities holders, if material;”
 8. “Bond calls, if material, and tender offers;”
 9. “Defeasances;”
 10. “Release, substitution, or sale of property securing repayment of the securities, if material;”
 11. “Rating changes;”
 12. “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
 13. “The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;”
 14. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”
 15. “Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;” and
 16. “Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.”
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the University pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”
 2. “change in obligated person;”

3. “notice to investors pursuant to bond documents;”
 4. “certain communications from the Internal Revenue Service, other than those communications included in the Rule;”
 5. “secondary market purchases;”
 6. “bid for auction rate or other securities;”
 7. “capital or other financing plan;”
 8. “litigation/enforcement action;”
 9. “change of tender agent, remarketing agent, or other on-going party;” and
 10. “other event-based disclosures;”
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the University pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
1. “quarterly/monthly financial information;”
 2. “change in fiscal year/timing of annual disclosure;”
 3. “change in accounting standard;”
 4. “interim/additional financial information/operating data;”
 5. “budget;”
 6. “investment/debt/financial policy;”
 7. “information provided to rating agency, credit/liquidity provider or other third party;”
 8. “consultant reports;” and
 9. “other financial/operating data.”
- (viii) provide the University evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The University may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Issuer, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information for the most recently completed fiscal year with respect to the University, including information of the general type included in the tables set forth under the following headings in the Official Statement in such format as the University deems appropriate:

1. “Applications, Acceptances and Enrollment – *Applications and Enrollment – Undergraduate Applications, Acceptances and Enrollments*”;
2. “Applications, Acceptances and Enrollment – *Enrollment and Degrees*”; and
3. “Tuition and Financial Aid – *Tuition and Fees*.”

(b) Audited Financial Statements as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with generally accepted accounting principles (“GAAP”) as described in the Official Statement will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the University is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The University will clearly identify each such document so incorporated by reference.

The University will reserve the right to modify from time to time the specific type of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the University; provided that the University will agree that any such modification will be done in a manner consistent with the Rule.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The University shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the University desires to make, contain the written authorization of the University for the Disclosure Dissemination Agent to disseminate such information, and identify the date the University desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the University or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the University determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the University desires to make, contain the written authorization of the University for the Disclosure Dissemination Agent to disseminate such information, and identify the date the University desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the University as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The University will provide the Disclosure Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The University acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the University, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The University acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The University may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the University desires to make, contain the written authorization of the University for the Disclosure Dissemination Agent to disseminate such information, and identify the date the University desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the University as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The University may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the University desires to make, contain the written authorization of the University for the Disclosure Dissemination Agent to disseminate such information, and identify the date the University desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the University as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the University is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the University from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the University chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial

Disclosure in addition to that which is specifically required by this Disclosure Agreement, the University shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the University and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the University is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The University has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The University may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the University or DAC, the University agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the University shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the University.

SECTION 10. Remedies in Event of Default. In the event of a failure of the University or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the University has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the University and shall not be deemed to be acting in any fiduciary capacity for the University, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the University's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the University has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the University at all times.

The obligations of the University under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall

not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the University.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the University and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the University and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the University or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the University. No such amendment shall become effective if the University shall, within ten days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the University, the Trustee, if any, for the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of South Carolina (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the University have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____

Name: _____

Title: _____

FURMAN UNIVERSITY

By: _____

Name: _____

Title: _____

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	South Carolina Jobs-Economic Development Authority
Obligated Person(s)	Furman University
Name of Bond Issue:	\$_____ South Carolina Jobs-Economic Development Authority Educational Facilities Revenue Bonds (Furman University), Series 2024
Date of Issuance:	_____, 2024
Date of Official Statement	_____, 2024
CUSIP Number:	_____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer	South Carolina Jobs-Economic Development Authority
Obligated Person(s)	Furman University
Name of Bond Issue:	\$ _____ South Carolina Jobs-Economic Development Authority Educational Facilities Revenue Bonds (Furman University), Series 2024
Date of Issuance:	_____, 2024
Date of Disclosure Agreement:	_____, 2024
CUSIP Number:	_____

NOTICE IS HEREBY GIVEN that the University has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the University and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The University has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of the University

cc: Obligated Person
Issuer

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Tender offers;"
13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."
16. _____ "Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material;" and
17. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties."

_____ Failure to provide annual financial information as required.

_____ Failure to provide quarterly report as required.

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly.

Signature:

Name: _____

Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ between the University and DAC.

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

Description of Voluntary Event Disclosure (Check One):

1. ___ "amendment to continuing disclosure undertaking;"
2. ___ "change in obligated person;"
3. ___ "notice to investors pursuant to bond documents;"
4. ___ "certain communications from the Internal Revenue Service;"
5. ___ "secondary market purchases;"
6. ___ "bid for auction rate or other securities;"
7. ___ "capital or other financing plan;"
8. ___ "litigation/enforcement action;"
9. ___ "change of tender agent, remarketing agent, or other on-going party;" and
10. ___ "other event-based disclosures."

I hereby represent that I am authorized by the University or its agent to distribute this information publicly: ‘

Signature: _____

Name: _____

Title: _____

Date: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ between the University and DAC.

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

Description of Voluntary Financial Disclosure (Check One):

1. ___ "quarterly/monthly financial information;"
2. ___ "change in fiscal year/timing of annual disclosure;"
3. ___ "change in accounting standard;"
4. ___ "interim/additional financial information/operating data;"
5. ___ "budget;"
6. ___ "investment/debt/financial policy;"
7. ___ "information provided to rating agency, credit/liquidity provider or other third party;"
8. ___ "consultant reports;" and
9. ___ "other financial/operating data."

I hereby represent that I am authorized by the University or its agent to distribute this information publicly:

Signature: _____

Name: _____

Title: _____

Date: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

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FURMAN



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