

MINUTES OF BUDGET AND CONTROL BOARD MEETING

May 22 1962

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The State Budget and Control Board met in the Governor's Office on May 22, 1962 at 3:00 P. M. All members of the Board were present.

The Board considered and approved by Resolution an application of the University of South Carolina to issue Tuition Bonds, in the amount of \$1,800,000.00, for

- (1) The Construction and Equipping of a Physics Building
- (2) The Constructing and Equipping of a Physical Education Building.
- (3) The Renovation of LeConte College for Use by the Department of Biology and the School of Pharmacy.

The Resolution is contained in a special folder herewith.

The Board also adopted the following resolutions:

As to the State Hospital -

- (1) Authorizes retirement of the \$1,000,000.00 note issued June 1, 1961 out of accumulated receipts for paying paitents.
- (2) Authorizes issuance of a new \$1,000,000.00 note, as of June 1, 1962, the proceeds of which will be applied to construction of the new Receiving and Intensive Treatment Ward Building, now in process.

(Legislation authorizes a total note issue of \$6,000,000.00 for the State Hospital. The Budget and Control Board has previously approved \$3,500,000.00 of this authorization. This new note makes a total of \$2,000,000.00 actually issued thus far. An additional issue of \$1,000,000.00 will be needed in about six months, as construction progresses on this and other approved projects.)

As to Whitten Village -

- (1) Authorized issuance of \$950,000.00 note, as of June 1, 1962. Proceeds will be applied to construction of a new school building, two new dormitories and renovation projects now in process.

(Legislation authorizes \$1,500,000.00 note issue for general construction program, of which \$550,000.00 was issued June 1, 1962. This issue completes the authorization.)

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Both notes are to be taken by the Retirement System, and extend over 20 years at 4-1/2% interest.

Payment will be made out of revenue from paying patients, with additional pledge of Inheritance Tax.

The Board then adjourned.

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THE STATE OF SOUTH CAROLINA.

WHEREAS, The University of South Carolina, by and through its Board of Trustees, has presented an application to the State Budget and Control Board of the State of South Carolina for the sum of One Million Eight Hundred Thousand Dollars (\$1,800,000) to finance the cost of improvements at such Institution hereinafter described: and

WHEREAS, this Board has considered said application and has, for itself, obtained the information needed to make the findings hereinafter made:

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF THE STATE OF SOUTH CAROLINA, AS FOLLOWS:

I.

The Board has ascertained, and hereby determines that there is a definite and immediate need for the improvements described in the application made on behalf of The University of South Carolina, as follows:

- (1) To pay the entire cost of constructing and equipping a Physics Building;
- (2) To pay the entire cost of a Physical Education Building; and
- (3) To pay the cost of renovating LeConte College for use by the Department of Biology and the School of Pharmacy.

II.

The following schedule of tuition fees is in effect at said Institution, and said schedule of tuition fees is found to be satisfactory and proper, viz.:

Resident Undergraduate	\$150
Non-resident Undergraduate	\$350
Resident Law	\$160
Non-resident Law	\$350

III.

Such schedule of tuition fees, as applied to regularly enrolled students at The University of South Carolina, on the basis of the number of students regularly enrolled therein at the

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I.

The Board has ascertained, and hereby determines that there is a definite and immediate need for the improvements described in the application made on behalf of The University of South Carolina, as follows:

- (1) To pay the entire cost of constructing and equipping a Physics Building:
- (2) To pay the entire cost of a Physical Education Building; and
- (3) To pay the cost of renovating LeConte College for use by the Department of Biology and the School of Pharmacy.

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The following schedule of tuition fees is in effect at said Institution, and said schedule of tuition fees is found to be satisfactory and proper, viz.:

Resident Undergraduate	\$150
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Resident Law	\$160
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III.

Such schedule of tuition fees, as applied to regularly enrolled students at The University of South Carolina, on the basis of the number of students regularly enrolled therein at the

close of the last preceding academic semester or term (exclusive of any summer school semester or term), will, if multiplied by the number of years for which the bonds herein provided shall be outstanding, result in the production of a sum equal to not less than one hundred fifty per cent (150%) of all State Institution Bonds now proposed to be issued for said Institution upon the approval of such application.

IV.

The Board of Trustees of The University of South Carolina has agreed that such schedule of tuition fees now in effect may be revised from time to time and whenever necessary to provide not less than the sum needed to pay the principal and interest requirements on the proposed bonds issued for said Institution.

V.

In order to comply with the provisions of Act No. 139 of the Acts of 1953 of South Carolina, as amended, this Board hereby sets forth the following:

1. The name of the State Institution seeking funds, and the amount sought on the basis of the application filed with this Board, is as follows:

The University of South Carolina	\$1,800,000
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2. State Institution Bonds which have been issued on behalf of The University of South Carolina, outstanding as of May 2, 1962 are:

(1) \$ 940,000 of an original issue of \$2,900,000 dated April 1st, 1954. Such bonds mature as follows:

\$170,000 on April 1st in each of the years
1963 and 1964; and
\$120,000 on April 1st in each of the years
1965 to 1969, inclusive.

All bonds of such issue now outstanding bear interest at the rate of 1-3/4% per annum.

(2) \$ 440,000 of an original issue of \$650,000, dated June 1st, 1955. Such bonds mature as follows:

\$ 35,000 on June 1st in each of the years
1962 to 1965, inclusive; and
\$ 30,000 on June 1st in each of the years
1966 to 1975, inclusive.

Twenty (20) bonds in fully registered form and in denomination corresponding to the annual amount to mature in accordance with the schedule attached to the application of The University of South Carolina. Said bonds shall be numbered A 9,101 to A 10,900, inclusive, with a separate numeral allotted to each \$1,000 multiple. The bonds shall be in the form set forth in Exhibit A attached to this Resolution.

Such series of bonds shall be dated May 1st, 1962, and shall bear interest payable to the registered holder thereof semi-annually on May 1st and November 1st of each year, beginning November 1st, 1962.

Each bond of this series maturing subsequent to the year 1972 shall be subject to redemption on May 1st, 1967, and all subsequent interest payment dates, in whole or in part, but if in part, in inverse numerical order, at a redemption price of par, accrued interest to the date fixed for redemption, plus a redemption premium of \$10.00 for each \$1,000 multiple of each bond so redeemed, but no bond of any maturity of this series shall be redeemed in whole or in part unless all bonds of subsequent maturities of this series have been previously redeemed in their entirety.

Pursuant to the authorization of Act No. 126 of the Acts of 1957, the Board approves the private placement of the bonds hereby authorized to be issued, to bear interest at the rate of four and one-half per centum (4-1/2%) per annum, payable semi-annually on the 1st days of May and November of each year. Such bonds shall be sold to the State Budget and Control Board of South Carolina, as Trustee of the funds of the South Carolina Retirement System, at par. Accrued interest to the date of the delivery of the Bonds need not be paid unless the State Treasurer shall so elect, but in such event, the instalment of interest to become due on November 1st, 1962, shall be diminished to the extent that interest would accrue from May 1, 1962 to the date of the delivery of the Bonds.

The bonds maturing in the years 1962 to 1970, inclusive, bear interest at the rate of 1-3/4% per annum; and those maturing in the years 1971 to 1975, inclusive, bear interest at the rate of 2% per annum.

(3) \$1,150,000 of an original issue of \$1,350,000, dated November 1st, 1957. Such bonds mature as follows:

\$ 50,000 on November 1st in the year 1962;
\$ 60,000 on November 1st in the years 1963 to 1967, inc.:
\$ 75,000 on November 1st in the years 1968 to 1972, inc. &
\$ 85,000 on November 1st in the years 1973 to 1977, inc.

All of such bonds bear interest at the rate of 4% per annum.

(4) \$1,390,000 of an original issue of \$1,500,000, dated April 1st, 1960. Such bonds mature as follows:

\$ 55,000 on April 1st in the years 1963 to 1965, inc.:
\$ 70,000 on April 1st in the years 1966 to 1970, inc.:
\$ 85,000 on April 1st in the years 1971 to 1975, inc.: &
\$ 90,000 on April 1st in the years 1976 to 1980, inc.

All of such bonds bear interest at the rate of 5% per annum.

d (5) \$2,585,000 of an original issue of \$2,700,000, dated May 1, 1961. Such bonds mature as follows:

\$115,000 on May 1st in the years 1963 to 1966, inc.:
\$130,000 on May 1st in the years 1967 to 1971, inc.:
\$145,000 on May 1st in the years 1972 to 1976, inc.: &
\$150,000 on May 1st in the years 1977 to 1981, inc.

All of such bonds bear interest at the rate of 4-1/2% per annum.

3. The Board has made the findings required of it by Section 6 of said Act No. 139 of the Acts of 1953 of South Carolina, as amended, and has not modified in any manner the application made on behalf of The University of South Carolina.

4. The attached schedule shows:

- (a) The annual debt service requirements of the outstanding bonds throughout the life of said bonds:
- (b) The maturities of the State Institution Bonds to be issued for The University of South Carolina, to raise the sum applied for, together with the anticipated interest cost for each year during the life of the bonds to be issued on behalf of said Institution, computed at the rate of 4-1/2% per annum; and
- (c) The total of (a) and (b), which is the anticipated aggregate annual principal and interest requirements for the outstanding bonds and the proposed bonds.

VI.

State Institution Bonds in the aggregate amount of \$1,800,000 should be issued as a single issue. Such issue shall consist of a single series, letter and numbered as follows:

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VII.

The number of regularly enrolled students at The University of South Carolina at the close of the last preceding academic semester, which ended on the 26th day of January, 1962, and the annual tuition fees payable by each of such students in accordance with the schedule of tuition fees payable by such students were as follows:

<u>NUMBER OF REGULARLY ENROLLED STUDENTS</u>		<u>TUITION FEES</u>	<u>AGGREGATE AMOUNT OF TUITION FEES</u>
Resident Undergraduate	4,353	\$150.00	\$652,950.00
Non-resident Undergraduate	640	350.00	224,000.00
Resident Law	196	160.00	31,360.00
Non-resident Law	<u>12</u>	350.00	<u>4,200.00</u>
Total	5,201		\$912,510.00

VIII.

The tuition fee schedules now in effect at The University of South Carolina requires each enrolled student to pay fees in accordance with the fees set forth in Paragraph VII, supra. Set forth below are schedules which show:

A. The aggregate debt service requirements of all State Institution Bonds now outstanding or to be outstanding following the issuance of the bonds now sought.

B. The actual cash value of funds held by the State Treasurer pursuant to Section 9 of the Enabling Act and for which an appropriate credit is allowed by Act No. 284 of 1961.

C. The sum which represents 150% of such aggregate debt service requirements for all State Institution Bonds outstanding or to be outstanding for The University of South Carolina, after effecting the deduction permitted by said Act No. 284 of 1961.

D. The aggregate amount to be derived by The University of South Carolina from the tuition fees in effect at said Institution for the twenty year life of the bonds proposed to be issued, based upon the assumption that the enrollment at such institution shall remain constant.

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E. The margin over and above the 150% coverage requirement of the Enabling Act:

As to the University of South Carolina:

(1)	(2)	(3)	(4)	(5)
Total debt Service on All Bonds To Be Outstanding	Amount of Deduction Permitted by Act No. 284 of 1961	150% of Total Net Debt Service	Sum to be Produced By Tuition Fees for 20 Year Period	Margin of Column (4) over Column (3)
\$11,728,377.50	\$ 931,098.59	\$16,195.918.37	\$18,250,200.00	\$2,054,281.63

IX.

The Board further finds that the total aggregate principal on all State Institution Bonds to be outstanding, following the issuance of the State Institution Bonds herewith proposed to be issued, will be in the sum reflected by the Schedule below, which sets forth in detail the State Institution Bonds outstanding for the several State Institutions of higher learning by the State of South Carolina. Said schedule also show the margin to exist under the statutory limit of \$25,000,000 established by the amendatory Act of 1961:

STATE INSTITUTION BONDS OF SOUTH CAROLINA
OUTSTANDING AS OF
MAY 2, 1962

A. Bonds of Series A, issued for the University of South Carolina:

Date of Issue	Amount of Original Issue	Outstanding As of May 2, 1962
Issue of April 1, 1954	\$2,900,000	\$ 940,000
Issue of June 1, 1955	\$ 650,000	\$ 440,000
Issue of November 1, 1957	\$1,350,000	\$1,150,000

Issue of April 1, 1960	\$1,500,000	\$1,350,000
Issue of May 1, 1961	\$2,700,000	\$2,585,000
Issue of May 1, 1962	<u>\$1,800,000</u>	<u>\$1,800,000</u>
Totals for The University of South Carolina	\$10,900,000	\$8,305,000
*Sinking Fund May 2, 1962	\$ 732,348	

B. Bonds of Series B, issued for The Citadel, the Military College of South Carolina:

Date of Issue	Amount of Original Issue	Outstanding As of May 2, 1962
Issue of April 1, 1954	\$1,100,000	\$ 110,000
Issue of June 1, 1955	\$ 900,000	\$ 600,000
Issue of November 1, 1957	\$1,576,000	\$1,256,000
Issue of July 1, 1959	\$ 785,000	\$ 705,000
Issue of May 1, 1960	\$ 957,000	\$ 861,000
Issue of May 1, 1961	<u>\$ 400,000</u>	<u>\$ 385,000</u>
Totals for The Citadel	\$5,718,000	\$3,917,000
*Sinking Fund May 2, 1962	\$ 838,194	

C. Bonds of Series C, issued for The Medical College of South Carolina:

Date of Issue	Amount of Original Issue	Outstanding As of May 2, 1962
Issue of April 1, 1954	\$1,150,000	\$ 458,000
Issue of May 1, 1960	<u>\$ 980,000</u>	<u>\$ 900,000</u>
Totals for The Medical College	\$2,130,000	\$1,358,000
*Sinking Fund May 2, 1962	\$ 221,352	

D. Bonds of Series D, issued for The Clemson Agricultural College of South Carolina:

Date of Issue	Amount of Original Issue	Outstanding As of May 2, 1962
Issue of April 1, 1954	\$3,100,000	\$ 800,000
Issue of June 1, 1955	\$ 750,000	\$ 515,000
Issue of November 1, 1957	\$2,100,000	\$1,798,000
Issue of May 1, 1959	\$1,900,000	\$1,615,000
Issue of May 1, 1960	\$1,075,000	\$1,055,000
Issue of May 1, 1961	<u>\$ 800,000</u>	<u>\$ 780,000</u>
Totals for Clemson	\$9,725,000	\$6,563,000
*Sinking Fund May 2, 1962	\$ 467,851	

E. Bonds of Series E, issued for South Carolina State College:

Date of Issue	Amount of Original Issue	Outstanding As of May 2, 1962
Issue of April 1, 1954	\$ 950,000	\$ 472,000
Issue of May 1, 1960	\$ 500,000	\$ 480,000
Issue of May 1, 1961	\$ 500,000	\$ 492,000
Totals for South Carolina State College	\$1,950,000	\$1,444,000
*Sinking Fund May 2, 1962	\$ 260,110	

F. Bonds of Series F, issued for Winthrop College:

Date of Issue	Amount of Original Issue	Outstanding As of May 2, 1962
Issue of September 1, 1959	\$1,000,000	\$ 900,000
Totals for Winthrop College	\$1,000,000	\$ 900,000
*Sinking Fund May 2, 1962	\$ 399,982	

S U M M A R Y

Total Institution Bonds previously issued	\$29,623,000
Additional Bonds herein proposed to be issued	<u>1,800,000</u>
Total Issues	\$31,423,000
Less Bonds Previously Retired	<u>8,936,000</u>
Balance to be Outstanding May 2, 1962	\$22,487,000
Statutory Debt Limit	<u>25,000,000</u>
Margin (After Issuance of Bonds Proposed Herein)	<u>\$ 2,513,000</u>
Total Sinking Funds As of May 2, 1962	<u>\$2,919,837</u>

X.

This Board does hereby approve the application of The University of South Carolina and does hereby direct that formal request be made of the Governor and the State Treasurer to make provision for the issuance of the State Institution Bonds herein described. Such request shall be evidenced by the delivery to each of the Governor and the State Treasurer of a copy of this Resolution, duly certified by the Secretary of this Board.

RESOLUTION TO BE ADOPTED BY BUDGET AND CONTROL BOARD

AS TO STATE HOSPITAL -

- 1). Authorizes retirement of the \$1,000,000.00 note issued June 1, 1961,
out of accumulated receipts from paying patients.
- 2). Authorizes issuance of a new \$1,000,000.00 note, as of June 1, 1962,
the proceeds of which will be applied to construction of the new
Receiving and Intensive Treatment Ward Building, now in process.

(Legislation authorizes a total note issue of \$6,000,000.00 for the State Hospital. The Budget and Control Board has previously approved \$3,500,000.00 of this authorization. This new note makes a total of \$2,000,000.00 actually issued thus far. An additional issue of \$1,000,000.00 will be needed in about six months, as construction progresses on this and other approved projects.)

AS TO WHITTEN VILLAGE -

- 1). Authorizes issuance of \$950,000.00 note, as of June 1, 1962. Proceeds
will be applied to construction of new school building, two new
dormitories, and renovation projects now in process.

(Legislation authorizes \$1,500,000.00 note issue for general construction program, of which \$550,000.00 was issued June 1, 1961. This issue completes the authorization.)

Both notes are to be taken by the Retirement System, and extend over 20 years at 4-1/2% interest.

Payment will be made out of revenue from paying patients, with additional pledge of Inheritance Tax.

*Adopted Pursuant
To June 1-1961*

WHEREAS, it was provided by Act No. 455 of the Acts of the General Assembly for the year 1961, that if the approval of the State Budget and Control Board of the State of South Carolina be obtained and expressed by proper resolution, Notes of the State of South Carolina might be issued as follows:

- (a) Not exceeding \$5,000,000 for the construction and equipping of additional facilities for South Carolina State Hospital; and
- (b) Not exceeding \$1,500,000 for additional facilities at Whitten Village;

and

WHEREAS, pursuant to Act No. 455 of 1961, there were issued under date of June 1, 1961:

- (a) \$1,000,000 of Notes on behalf of South Carolina State Hospital; and
- (b) \$550,000 of Notes on behalf of Whitten Village;

and

WHEREAS, the Act of 1961 was amended by an Act enacted at the regular session of the General Assembly for the year 1962, entitled: "AN ACT TO INCREASE THE AUTHORIZATION FOR EXPENDITURES FOR THE SOUTH CAROLINA STATE HOSPITAL PURSUANT TO ACT NO. 455 OF 1961 FROM FIVE MILLION DOLLARS TO SIX MILLION DOLLARS, TO PERMIT THE RETIREMENT BEFORE MATURITY OF ONE MILLION DOLLARS OF NOTES ISSUED PURSUANT TO ACT NO. 455 WITH FUNDS IN THE SINKING FUND ESTABLISHED TO SECURE ALL NOTES ISSUED FOR THE SOUTH CAROLINA STATE HOSPITAL PURSUANT TO ACT NO. 455 AND TO PERMIT THE ISSUANCE OF NOTES FOR THE SOUTH CAROLINA STATE HOSPITAL PURSUANT TO ACT NO. 455 TO THE EXTENT OF FIVE MILLION DOLLARS IN ADDITION TO THE ONE MILLION DOLLARS HERETOFORE ISSUED PURSUANT TO ACT NO. 455, Approved March 22nd, 1962; and

WHEREAS, the effect of the 1962 amendment is to leave in full force and effect and unaffected the authorization for Whitten Village and to increase the authorization for South Carolina State Hospital to the extent that an aggregate of SIX MILLION DOLLARS (\$6,000,000) of Notes may be issued for such

institution if the \$1,000,000 of Notes issued as of June 1, 1961 shall, with the consent of the holder thereof, be retired with moneys in the Sinking Fund established for Notes issued on behalf of South Carolina State Hospital by Paragraph 4 of Section 2 of Act No. 455; and

WHEREAS, it has been arranged that the holder of the said \$1,000,000 of Notes issued on behalf of South Carolina State Hospital, viz., The State Budget and Control Board, in its capacity as Trustee of the funds of the South Carolina Retirement System that the said Notes should be retired and paid on June 1, 1962, with moneys in the aforesaid Sinking Fund; and

WHEREAS, the program authorized for South Carolina State Hospital is continuing and an aggregate of an additional \$1,000,000 is required therefor; and

WHEREAS, the program authorized for Whitten Village is likewise continuing and there is required all of the remaining moneys authorized therefor; and

WHEREAS, by reason of the foregoing it is intended that the authorizations of Act No. 455 of 1961 as amended be availed of to the extent of

- (a) Borrowing \$1,000,000 for South Carolina State Hospital pursuant to the authorizations of said Act No. 455 as amended; and
- (b) Borrowing the remaining \$950,000 authorized by said Act No. 455 as amended, for Whitten Village.

and

WHEREAS, in and by said Act as now amended it is provided that in the instance of South Carolina State Hospital there shall be pledged for the payment of the principal and interest of the remaining \$5,000,000 of Notes authorized pursuant to said Act, all revenues derived by South Carolina State Hospital from paying patients; and in the instance of Whitten Village there shall be pledged for the payment of the principal and interest of the \$1,500,000 of Notes issued pursuant to said Act, all revenues derived by Whitten Village from paying

patients; and

WHEREAS, authorizations for additional facilities at each of said State Institutions have been previously authorized by Act No. 907 of the Acts of 1960, which in turn amended Act No. 140 of the Acts of 1959, and that by reason thereof, revenues derived from paying patients at both institutions have been impounded so that there are on hand on this occasion funds available for the special sinking funds directed to be created by Act No. 455 of 1961, except that in the instance of the special sinking fund for South Carolina State Hospital obligations, so much as is necessary therefor will be used on June 1, 1962 to meet the payment of the principal and interest of Notes issued on behalf of South Carolina State Hospital under date of June 1, 1961; and

WHEREAS approval for the projects authorized by Act No. 455 of 1961 was given by the State Budget and Control Board upon request previously made by South Carolina Mental Health Commission, acting for South Carolina State Hospital, and upon request previously made by the Board of Trustees of Whitten Village, acting on behalf of Whitten Village; and

WHEREAS it is provided by Act No. 455 as amended that the Notes thereby authorized may be issued either as a single issue or from time to time as several separate issues; and

WHEREAS, it has been ascertained that as of this occasion South Carolina State Hospital is in need of \$1,000,000 and Whitten Village is in need of \$950,000; and

WHEREAS, by reason thereof the State Budget and Control Board is minded, and intends by the adoption of this Resolution to make provision for the issuance of \$1,000,000 of Notes for South Carolina State Hospital, and \$950,000 of Notes for Whitten Village; and

WHEREAS, it is provided by Act No. 455 as amended that such Notes as may be issued pursuant thereto shall be additionally secured by a pledge of so much of the revenues as may hereafter be derived from the tax or taxes imposed by the provisions

of Article 6, Chapters 7 and 8, Title 65, Code of Laws of South Carolina, 1952, as amended, upon inheritances, gifts or estates of deceased persons, and that such pledge shall be on a parity with that previously made and now securing certain obligations heretofore issued pursuant to Act No. 234 of the Acts of 1955, if the holders of the now outstanding portion of the obligations issued pursuant to Act No. 234 of the Acts of 1955 shall give their consent thereto; and

WHEREAS, there are now outstanding \$400,000 of the original issue of \$1,000,000 of Notes of the State of South Carolina, issued pursuant to Act No. 234 of the Acts of 1955, which fall due in annual series or instalments of \$100,000 each on October 15th in each of the years 1962 to 1965, inclusive, which said Notes are held by the State Budget and Control Board as Trustee of the funds of the South Carolina Retirement System; and

WHEREAS, heretofore, to wit on the occasion of the issuance of the Notes pursuant to Act No. 455 on June 1, 1961, the said State Budget and Control Board, as Trustee of the funds of the South Carolina Retirement System, gave its consent that the Notes issued as of June 1, 1961 might be additionally secured as contemplated by Act No. 455, but inasmuch as Act No. 455 has been amended in such fashion as to increase the authorizations of Notes to be issued pursuant thereto, it is desirable that the further approval of the additional securing of Notes issued pursuant to said Act No. 455 as now amended be given; and

WHEREAS, it is apparent from the certificate of the State Auditor, attached to this Resolution, that revenue derived from the taxes levied by the State of South Carolina upon inheritances, gifts, and the estates of deceased persons are sufficient to meet not only the outstanding obligations held by the State Budget and Control Board in its capacity as Trustee of the funds of the South Carolina Retirement System, but to meet the payment of the principal and interest of all Notes authorized by Act No. 455; and

WHEREAS, the State Budget and Control Board in its capacity as Trustee of the funds of the South Carolina Retirement System is authorized by Act No. 455, and proposes, to purchase the Notes of the State of South Carolina to be issued pursuant to said Act and this Resolution; and

WHEREAS, by virtue of all of the foregoing, the State Budget and Control Board is minded and intends to accomplish the foregoing by the adoption of this Resolution, that is to say, viz.:

- (1) To give its consent to the payment and retirement, on June 1, 1962, of the \$1,000,000 of South Carolina State Hospital Notes dated June 1, 1961, which it now holds, upon receipt of the principal amount thereof plus accrued interest to the date payment is effected;
- (2) To authorize and effect the issuance of \$1,000,000 of Notes pursuant to the said Act No. 455 as amended for South Carolina State Hospital;
- (3) To authorize and effect the issuance of the remaining \$950,000 of Notes authorized by said Act No. 455 as amended for Whitten Village;
- (4) To effect the purchase of the Notes now authorized by itself in its capacity as Trustee of the funds of the South Carolina Retirement System, as an investment of moneys for such fund;
- (5) To consent that the additional pledge of revenues derived from the taxes levied by the State of South Carolina upon inheritances, gifts and the estates of deceased persons, made to secure the payment of all Notes issued pursuant to Act No. 455 as amended (within the authorization of said Act as now stated) shall be on a parity with the pledge heretofore made to secure the Notes issued pursuant to Act No. 234 of the Acts of 1955; and
- (6) To prescribe the form of Notes now to be issued pursuant to said Act No. 455 as amended and to direct

the manner of the expenditure of their proceeds, and to make provision for the payment of the principal and interest of said Notes, all as authorized by said Act No. 455, as amended;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF THE STATE OF SOUTH CAROLINA:

SECTION 1:

Pursuant to the provisions of Act No. 455 of 1961 as amended, the State Budget and Control Board authorizes and empowers the Governor and State Treasurer to issue \$1,000,000 of Notes of the State of South Carolina (herein called "Hospital Notes"), whose proceeds shall be expended to defray costs to be incurred by the Mental Health Commission for additional facilities at South Carolina State Hospital which are authorized by said Act No. 455 as amended.

SECTION 2:

Said Hospital Notes shall be initially issued in fully registered form and as a single fully registered Note, in the name of State Budget and Control Board of South Carolina, as Trustee of the funds of the South Carolina Retirement System, and payable to said State Budget and Control Board of South Carolina as such Trustee, or to its assigns. The said Hospital Notes as initially issued may be afterwards re-issued in coupon form in the denomination of \$1,000 each, and with numbering corresponding to the unmatured instalments of principal, upon the request and at the expense of the registered holder thereof, and upon such terms and in such form as the State Budget and Control Board shall prescribe, and if hereafter, pursuant to the request of such registered holder the State Budget and Control Board shall make provision for the conversion of said fully registered Note (or portions thereof) into notes in coupon form, then in such event it shall become the duty of those who may hold office as Governor and State Treasurer to effect the execution, issuance and delivery of such Hospital

Notes in coupon form.

SECTION 3.

Said Hospital Notes shall be dated June 1, 1962, shall bear interest at the rate of four and one-half per centum (4-1/2%) per annum, payable on the first days of June and December of each year, beginning December 1, 1962, and shall mature in twenty successive equal annual instalments of \$50,000 each on June 1st in each of the years 1963 to 1982, inclusive.

SECTION 4.

The State of South Carolina reserves the right to effect the prepayment, on any interest payment date after December 1, 1966, of any portion of the indebtedness evidenced by said Hospital Notes that it may determine upon, in the inverse chronological order of the maturities of the principal instalments, and in multiples of \$1,000, at a redemption price equal to the par value of the principal amount so redeemed, and accrued interest to the date fixed for redemption, plus a redemption premium equal to 2% of the principal amount so redeemed.

If the option to redeem shall be exercised, notice of redemption shall be given to the holder of said Hospital Notes at least thirty (30) days prior to the prepayment date, by mailing to such holder a notice prescribing such prepayment date and specifying the amount of principal (and premium) to be prepaid.

SECTION 5.

Payment of interest and instalments of principal of said Hospital Notes, and portions thereof (if the privilege of redemption be exercised) shall be effected by check or draft drawn by the State Treasurer to the order of the registered holder, who shall use therefor funds hereinafter pledged for the payment of the principal and interest thereof. All payments of principal shall be duly endorsed upon the payment record appended to said registered note.

SECTION 6.

If hereafter, and pursuant to the right granted to the

holder of said registered note, it shall cause the same to be converted into coupon form, then in such instance all payments of principal and interest shall be payable at the office of the State Treasurer in the City of Columbia, State of South Carolina, or, at any agency of the State of South Carolina in the City of New York, State of New York. The right to effect prepayment of Hospital Notes issued in coupon form shall continue and the method of giving notice of the right to redeem shall be hereafter prescribed by the State Budget and Control Board in proceedings to be adopted providing for the conversion of such Hospital Notes into coupon form.

SECTION 7.

Such Hospital Notes as originally issued in fully registered form shall be executed on behalf of the State of South Carolina by the Governor and State Treasurer. The Great Seal of the State shall be affixed thereto and the same shall be attested by the Secretary of State. If hereafter all or any portion of the principal of such Note shall be converted into Hospital Notes in coupon form, such Notes in coupon form shall be dated as of June 1, 1962, and shall be executed by those holding the aforesaid offices on the date of the conversion. Coupons to be attached to such Hospital Notes when outstanding in coupon form shall be signed by the facsimile signature of the person holding office as State Treasurer on the occasion of the conversion.

SECTION 8.

Subject only to the right reserved to issue additional Hospital Notes pursuant to said Act No. 455 as now amended, and to the extent therein permitted, on a parity in all respects with the Hospital Notes whose issuance is herewith provided for, and as set forth in Section 9, infra, for the payment of the principal and interest of said Hospital Notes there is hereby pledged all revenues derived by South Carolina State Hospital from its paying patients remaining after applying moneys now in said fund to the payment on June 1, 1962 of all

sums due on the \$1,000,000 South Carolina State Hospital Notes dated June 1, 1961. Such moneys when collected by the Treasurer of South Carolina State Hospital, or his deputies or agents, shall be remitted monthly to the State Treasurer, who shall cause the same to be deposited in a special fund applicable solely to the payment of the principal and interest of such Hospital Notes, as the same respectively mature.

Moneys held by the State Treasurer on the occasion of the adoption of this Resolution and which have heretofore been impounded prior to June 1, 1961, and thereafter, in anticipation of the issuance of Hospital Notes pursuant to the earlier enactments of the General Assembly first above recited, shall remain in the Sinking Fund established on the occasion of the issuance of the \$1,000,000 of South Carolina State Hospital Notes dated June 1, 1961, and invested and reinvested in direct obligations of the United States of America. The sinking fund so held shall be available for the payment of the principal and interest of all Hospital Notes issued for South Carolina State Hospital pursuant to said Act No. 455 of 1961, as amended. Such sinking fund may also be used to effect the retirement of all Hospital Notes authorized by the said Act whenever the market value of the sinking fund shall equal the aggregate of the debt evidenced by Hospital Notes outstanding pursuant to said Act No. 455 as amended.

Subject to the right reserved by Act No. 455 as amended, to secure additional obligations of the State of South Carolina, secured by a pledge or pledges on a parity with the pledge herein made to additionally secure the payment of the principal and interest of the Hospital Notes now authorized, there is hereby pledged so much of the revenues as may be derived from the tax or taxes imposed by the provisions of Article 6, Chapters 7 and 8, Title 65, Code of Laws of South Carolina, 1952, as amended, or any tax levied by the State of South Carolina in lieu of the present tax levied upon inheritances, gifts, and the estates of deceased persons.

Whenever funds derived from paying patients of South Carolina State Hospital, and moneys in the sinking fund established above for the payment of the principal and interest of Hospital Notes issued pursuant to said Act No. 455, as amended, shall be insufficient to effect the punctual payment of the principal and interest of Hospital Notes, the State Treasurer shall forthwith withdraw from the moneys derived from the tax levied by the State of South Carolina on inheritances, gifts and the estates of deceased persons, sufficient moneys to effect the punctual payment of the principal and interest of Hospital Notes.

The pledge herewith made of moneys derived from taxes levied upon inheritances, gifts, and the estates of deceased persons is hereby declared to be on a parity with the following pledges:

- (a) The pledge heretofore made to secure the outstanding obligations issued pursuant to Act No. 234 of the Acts of 1955; and
- (b) The pledge made to additionally secure the payment of the principal and interest on all Notes issued pursuant to Act No. 455, as amended.

SECTION 9.

The right is fully reserved to hereafter effect the issuance of additional Hospital Notes within the aggregate principal limitations now set forth in said Act No. 455, as amended, and such additional Hospital Notes when issued pursuant thereto shall be on a parity in all respects with the Hospital Notes whose issuance is herewith provided for, notwithstanding that such additional Hospital Notes may bear a different interest rate, numbering, date, date of execution or date of delivery, and in the event that additional Hospital Notes be issued pursuant to Act No. 455, as amended, the revenues derived from paying patients at South Carolina State Hospital and the sinking fund established above for the payment of the principal and interest of all Hospital Notes issued pursuant to Act No. 455, as amended, shall be equally available for the payment of

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the principal and interest of additional Hospital Notes issued pursuant to said Act No. 455 as amended.

SECTION 10.

The form of said Hospital Note as originally issued in fully registered form shall be as follows:

UNITED STATES OF AMERICA

STATE OF SOUTH CAROLINA

SOUTH CAROLINA STATE HOSPITAL NOTE

(ISSUED PURSUANT TO ACT NO. 455 OF THE ACTS OF
1961 AS AMENDED BY ACT APPROVED MARCH 22, 1962)

NUMBER R-2

\$1,000,000

The STATE OF SOUTH CAROLINA hereby acknowledges itself
indebted, and for value received, promises to pay to the

STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA
as Trustee of the funds of the South Carolina Retirement System,
or its registered assigns, the principal sum of

ONE MILLION DOLLARS

on the first day of June in the years and instalments as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1963	\$50,000	1973	\$50,000
1964	\$50,000	1974	\$50,000
1965	\$50,000	1975	\$50,000
1966	\$50,000	1976	\$50,000
1967	\$50,000	1977	\$50,000
1968	\$50,000	1978	\$50,000
1969	\$50,000	1979	\$50,000
1970	\$50,000	1980	\$50,000
1971	\$50,000	1981	\$50,000
1972	\$50,000	1982	\$50,000

and to pay to the registered holder hereof interest on the bal-
ance of said principal sum from time to time remaining unpaid,
at the rate of four and one-half per centum (4-1/2%) per annum,
payable semi-annually on June 1 and December 1 of each year,
commencing December 1, 1962, until the principal amount hereof
has been fully paid. Both the principal of and interest on
this Note are payable in any coin or currency which, on the
respective dates of payment thereof, shall be legal tender
for the payment of public and private debts, by check or draft
issued by the State Treasurer of the State of South Carolina to
the registered holder hereof.

THIS NOTE, designated as SOUTH CAROLINA STATE HOSPITAL NOTE, is issued pursuant to and in accordance with the Constitution and Laws of the State of South Carolina, including particularly the provisions of Act No. 455 of the Acts of the General Assembly for the year 1961 as amended by an Act entitled:

"AN ACT TO INCREASE THE AUTHORIZATION FOR EXPENDITURES FOR THE SOUTH CAROLINA STATE HOSPITAL PURSUANT TO ACT NO. 455 OF 1961 FROM FIVE MILLION DOLLARS TO SIX MILLION DOLLARS, TO PERMIT THE RETIREMENT BEFORE MATURITY OF ONE MILLION DOLLARS OF NOTES ISSUED PURSUANT TO ACT NO. 455 WITH FUNDS IN THE SINKING FUND ESTABLISHED TO SECURE ALL NOTES ISSUED FOR THE SOUTH CAROLINA STATE HOSPITAL PURSUANT TO ACT NO. 455 AND TO PERMIT THE ISSUANCE OF NOTES FOR THE SOUTH CAROLINA STATE HOSPITAL PURSUANT TO ACT NO. 455 TO THE EXTENT OF FIVE MILLION DOLLARS IN ADDITION TO THE ONE MILLION DOLLARS HERETOFORE ISSUED PURSUANT TO ACT NO. 455,"

Approved March 22, 1962 (hereinafter collectively called the "Enabling Act"), and Resolutions duly adopted by the State Budget and Control Board of South Carolina for the purpose of raising moneys for additional facilities at South Carolina State Hospital.

In addition to the instalments of principal required to be paid as hereinabove set forth, the right is reserved to the State of South Carolina to prepay on June 1, 1967, and all subsequent interest payment dates, instalments of principal in inverse chronological order, and in multiples of \$1,000, and at the price of 102% (expressed in terms of percentage amount of such prepayment), plus accrued interest to the date of prepayment.

Notice of any such optional prepayment shall be given at least thirty days prior to the prepayment date by mailing to the registered owner of this Note a notice fixing such prepayment date, the amount of principal and the premium, if any, to be prepaid.

THIS NOTE may be assigned and upon such assignment the assignor shall promptly notify the State Treasurer in the City of Columbia, South Carolina, by registered mail, and upon the surrender of this Note to the State Treasurer either in exchange for a new fully registered Note or for transfer on the registration records and verification of the endorsements made on the Payment Record attached hereto of the portion of the principal amount hereof and interest hereon paid or prepaid, and every such assignee shall take this Note subject to such condition.

As provided in the Resolution of State Budget and Control Board, making provision for the issuance of this Note, this Note is exchangeable, at the expense of the holder, and upon terms and conditions to be prescribed by the said State Budget and Control Board, for coupon Notes in such form as the said State Budget and Control Board shall prescribe, of the denomination of \$1,000 each, in an aggregate principal amount equal to the unpaid principal amount of this Note on the occasion of such conversion.

For the payment of the instalments of principal of and interest on this Note, as the same respectively mature, there are hereby pledged all revenues derived from paying patients at South Carolina State Hospital and the moneys in the Sinking Fund established pursuant to the directive of the Enabling Act. And, in addition thereto, and as further security for the payment of the instalments of principal of and interest on this Note, there are hereby pledged, to the extent related in the aforesaid Resolution of the State Budget and Control Board, the revenues derived by the State of South Carolina from the taxes levied upon inheritances, gifts and estates of deceased persons.

The pledge of revenues derived from paying patients at South Carolina State Hospital is declared to be on a parity with any pledge hereafter made to secure the payment of the principal and interest of Notes hereafter issued for South

Carolina State Hospital pursuant to the Enabling Act.

The pledge of the revenues derived from the taxes levied by the State of South Carolina upon inheritances, gifts and the estates of deceased persons is on a parity with an existing pledge made to secure the now outstanding \$400,000 of an original issue of \$1,000,000 of Notes issued pursuant to Act No. 234 of the Acts of 1955, and all Notes issued or to be issued pursuant to the Enabling Act.

The right is further reserved to issue additional obligations of the State of South Carolina to be authorized by legislation subsequently to be enacted and to be secured by a pledge on a parity with the pledge of revenues derived from the taxes levied upon inheritances, gifts and estates of deceased persons, to the extent and under the conditions related in the Enabling Act.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts and things required by the Constitution or Statutes of the State of South Carolina to exist, be performed or happen precedent to or in the issuance of this Note, exist, have been performed and have happened, and that the amount of this Note, together with all other indebtedness of the State of South Carolina, does not exceed any limit prescribed by such Constitution or Statutes.

IN WITNESS WHEREOF, the STATE OF SOUTH CAROLINA has caused this NOTE to be signed by the Governor of South Carolina and by the State Treasurer of South Carolina, and has caused the Great Seal of the State to be affixed hereto or impressed hereon and attested by the Secretary of State, and this Note to be dated the first day of June, 1962.

Governor

Attest:

State Treasurer

Secretary of State

FORM OF ASSIGNMENT

(A form similar to this but not attached to the within Note may also be used)

FOR VALUE RECEIVED, the undersigned hereby sells,
assigns and transfers unto _____
the within Note of the State of South Carolina, and hereby
irrevocably constitutes and appoints _____
Attorney, to transfer the same on books of the State Treasurer,
with full power of substitution in the premises.

Dated: _____

Date of Registration	Name of Registered Holder	Signature of State Treasurer or Deputy
June 1, 1962	State Budget and Control Board of South Carolina, as Trustee	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment 4-1/2%	Date Paid	Signature of State Treasurer or his Deputy
Dec. 1 1962					
June 1 1963	\$50,000				
Dec. 1 1963					
June 1 1964	\$50,000				
Dec. 1 1964					
June 1 1965	\$50,000				
Dec. 1 1965					
June 1 1966	\$50,000				
Dec. 1 1966					
June 1 1967	\$50,000				
Dec. 1 1967					
June 1 1968	\$50,000				
Dec. 1 1968					
June 1 1969	\$50,000				
Dec. 1 1969					
June 1 1970	\$50,000				
Dec. 1 1970					
June 1 1971	\$50,000				
Dec. 1 1971					
June 1 1972	\$50,000				
Dec. 1 1972					

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment 4-1/2%	Date Paid	Signature of State Treasurer or his Deputy
June 1 1973	\$50,000	:	:	:	:
Dec 1 1973		:	:	:	:
June 1 1974	\$50,000	:	:	:	:
Dec. 1 1974		:	:	:	:
June 1 1975	\$50,000	:	:	:	:
Dec. 1 1975		:	:	:	:
June 1 1976	\$50,000	:	:	:	:
Dec. 1 1976		:	:	:	:
June 1 1977	\$50,000	:	:	:	:
Dec. 1 1977		:	:	:	:
June 1 1978	\$50,000	:	:	:	:
Dec. 1 1978		:	:	:	:
June 1 1979	\$50,000	:	:	:	:
Dec. 1 1979		:	:	:	:
June 1 1980	\$50,000	:	:	:	:
Dec. 1 1980		:	:	:	:
June 1 1981	\$50,000	:	:	:	:
Dec. 1 1981		:	:	:	:
June 1 1982	\$50,000	:	:	:	:

SECTION 11.

Pursuant to the provisions of Act No. 455 as amended, the State Budget and Control Board authorizes and empowers the Governor and State Treasurer to issue the remaining \$950,000 of Notes of the State of South Carolina (herein called "Whitten Village Notes"), authorized by said Act, whose proceeds shall be expended to defray the costs to be incurred for additional facilities at Whitten Village which are authorized by said Act No. 455 as amended.

SECTION 12.

Said Whitten Village Notes shall be initially issued in fully registered form and as a single fully registered Note, in the name of State Budget and Control Board of South Carolina, as Trustee of the funds of the South Carolina Retirement System, and payable to said State Budget and Control Board of South Carolina, as such Trustee, or to its assigns. The said Whitten Village Notes as initially issued may be afterwards re-issued in coupon form in the denomination of \$1,000 each, and with numbering corresponding to the unmatured instalments of principal, upon the request and at the expense of the registered holder thereof, and upon such terms and in such form as the State Budget and Control Board shall prescribe, and if hereafter, pursuant to the request of such registered holder, the State Budget and Control Board shall make provision for the conversion of said fully registered Note (or portions thereof), into Notes in coupon form, then in such event it shall become the duty of those who may hold office as Governor and State Treasurer to effect the execution, issuance and delivery of such Whitten Village Notes in coupon form.

SECTION 13.

Said Whitten Village Notes shall be dated June 1, 1962, shall bear interest at the rate of four and one-half per centum (4-1/2%) per annum, payable on the first days of June and December of each year, beginning December 1, 1962, and shall mature

in twenty (20) equal annual instalments, as follows: FIFTY THOUSAND DOLLARS (\$50,000) on June 1st in each of the years 1963 to 1972, inclusive; and FORTY-FIVE THOUSAND DOLLARS (\$45,000) on June 1st in each of the years 1973 to 1982, inclusive.

SECTION 14.

The State of South Carolina reserves the right to effect the prepayment, on any interest payment date after December 1, 1966, of any portion of the indebtedness evidenced by said Whitten Village Notes that it may determine upon, in the inverse chronological order of the maturities of the principal instalments, and in multiples of \$1,000, at a redemption price equal to the par value of the principal amount so redeemed, and accrued interest to the date fixed for redemption, plus a redemption premium equal to 2% of the principal amount so redeemed.

If the option to redeem shall be exercised, notice of redemption shall be given to the holder of said Whitten Village Notes at least thirty (30) days prior to the prepayment date, by mailing to such holder a notice prescribing such prepayment date and specifying the amount of principal (and premium) to be prepaid.

SECTION 15.

Payment of interest and instalments of principal of said Whitten Village Notes, and portions thereof (if the privilege of redemption be exercised), shall be effected by check or draft drawn by the State Treasurer to the order of the registered holder, who shall use therefor funds hereinafter pledged for the payment of the principal and interest thereof. All payments of principal shall be duly endorsed upon the Payment Record appended to said registered Note.

SECTION 16.

If hereafter, and pursuant to the right granted to the holder of said registered Note, it shall cause the same to be converted into coupon form, then in such instance all payments of principal and interest shall be payable at the office of the State Treasurer in the City of Columbia, State of South Carolina, or, at any agency of the State of South Carolina in

in twenty (20) equal annual instalments, as follows: FIFTY THOUSAND DOLLARS (\$50,000) on June 1st in each of the years 1963 to 1972, inclusive; and FORTY-FIVE THOUSAND DOLLARS (\$45,000) on June 1st in each of the years 1973 to 1982, inclusive.

SECTION 14.

The State of South Carolina reserves the right to effect the prepayment, on any interest payment date after December 1, 1966, of any portion of the indebtedness evidenced by said Whitten Village Notes that it may determine upon, in the inverse chronological order of the maturities of the principal instalments, and in multiples of \$1,000, at a redemption price equal to the par value of the principal amount so redeemed, and accrued interest to the date fixed for redemption, plus a redemption premium equal to 2% of the principal amount so redeemed.

If the option to redeem shall be exercised, notice of redemption shall be given to the holder of said Whitten Village Notes at least thirty (30) days prior to the prepayment date, by mailing to such holder a notice prescribing such prepayment date and specifying the amount of principal (and premium) to be prepaid.

SECTION 15.

Payment of interest and instalments of principal of said Whitten Village Notes, and portions thereof (if the privilege of redemption be exercised), shall be effected by check or draft drawn by the State Treasurer to the order of the registered holder, who shall use therefor funds hereinafter pledged for the payment of the principal and interest thereof. All payments of principal shall be duly endorsed upon the Payment Record appended to said registered Note.

SECTION 16.

If hereafter, and pursuant to the right granted to the holder of said registered Note, it shall cause the same to be converted into coupon form, then in such instance all payments of principal and interest shall be payable at the office of the State Treasurer in the City of Columbia, State of South Carolina, or, at any agency of the State of South Carolina in

the City of New York, State of New York. The right to effect prepayment of Whitten Village Notes issued in coupon form shall continue and the method of giving notice of the right to redeem shall be hereafter prescribed by the State Budget and Control Board in proceedings to be adopted providing for the conversion of such Whitten Village Notes into coupon form.

SECTION 17.

Such Whitten Village Notes as originally issued in fully registered form shall be executed on behalf of the State of South Carolina by the Governor and State Treasurer. The Great Seal of the State shall be affixed thereto and the same shall be attested by the Secretary of State. If hereafter all or any portion of the principal of such Note shall be converted into Whitten Village Notes in coupon form, such Notes in coupon form shall be dated as of June 1, 1962, and shall be executed by those holding the aforesaid offices on the date of the conversion. Coupons to be attached to such Whitten Village Notes when outstanding in coupon form shall be signed by the facsimile signature of the person holding office as State Treasurer on the occasion of the conversion.

SECTION 18.

For the payment of the principal and interest of the Whitten Village Notes herein authorized (and on a parity with the pledge made for the payment of the principal and interest of the Whitten Village Notes heretofore issued under date of June 1, 1961) there is hereby pledged all revenues derived by Whitten Village from its paying patients. Such moneys when collected by the Treasurer of Whitten Village, or his deputies or agents, shall be remitted monthly to the State Treasurer, who shall cause the same to be deposited in a special fund applicable solely to the payment of the principal and interest of such Whitten Village Notes, as the same respectively mature.

All moneys held by the State Treasurer on the occasion of the adoption of this Resolution, and which have been heretofore impounded, shall be held in the sinking fund first estab-

lished on the occasion of the issuance of the Whitten Village Notes dated June 1, 1961, and invested and re-invested in direct obligations of the United States of America. The sinking fund so held shall be available for the payment of the principal and interest of all Whitten Village Notes issued for Whitten Village pursuant to the said Act No. 455, as amended.

In order to additionally secure the payment of the principal and interest of said Whitten Village Notes, there is hereby pledged so much of the revenues as may be derived from the tax or taxes imposed by the provisions of Article 6, Chapters 7 and 8, Title 65, Code of Laws of South Carolina, 1952, as amended, or any tax levied by the State of South Carolina in lieu of the present tax levied upon inheritances, gifts and the estates of deceased persons.

Whenever funds derived from paying patients of Whitten Village, and moneys in the sinking fund established above for the payment of the principal and interest of Whitten Village Notes issued pursuant to said Act No. 455 as amended, shall be insufficient to effect the punctual payment of the principal and interest of Whitten Village Notes, the State Treasurer shall forthwith withdraw from the moneys derived from the tax levied by the State of South Carolina on inheritances, gifts and the estates of deceased persons, sufficient moneys to effect the punctual payment of the principal and interest of Whitten Village Notes.

In view of other provisions of this Resolution, the pledge herewith made of moneys derived from taxes levied upon inheritances, gifts and the estates of deceased persons is hereby declared to be on a parity with the following pledges:

- (a) The pledge heretofore made to secure the outstanding obligations issued pursuant to Act No. 234 of the Acts of 1955; and
- (b) The pledge made to additionally secure the payment of the principal and interest of all Notes issued pursuant to Act No. 455, as amended.

SECTION 19.

The form of said Whitten Village Note as originally issued in fully registered form shall be as follows:

UNITED STATES OF AMERICA

STATE OF SOUTH CAROLINA

WHITTEN VILLAGE NOTE

(ISSUED PURSUANT TO ACT NO. 455 OF THE FACTS OF
1961 AS AMENDED BY ACT APPROVED MARCH 22, 1962)

NUMBER R-2

\$950,000

The STATE OF SOUTH CAROLINA hereby acknowledges itself
indebted, and for value received, promises to pay to the

STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA
as Trustee of the funds of the South Carolina Retirement System,
or its registered assigns, the principal sum of

NINE HUNDRED FIFTY THOUSAND DOLLARS

on the first day of June in the years and instalments as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1963	\$50,000	1973	\$45,000
1964	\$50,000	1974	\$45,000
1965	\$50,000	1975	\$45,000
1966	\$50,000	1976	\$45,000
1967	\$50,000	1977	\$45,000
1968	\$50,000	1978	\$45,000
1969	\$50,000	1979	\$45,000
1970	\$50,000	1980	\$45,000
1971	\$50,000	1981	\$45,000
1972	\$50,000	1982	\$45,000

and to pay to the registered holder hereof interest on the balance
of said principal sum from time to time remaining unpaid, at the
rate of four and one-half per centum ($4\frac{1}{2}\%$) per annum, payable
semi-annually on June 1 and December 1 of each year, commencing
December 1, 1962, until the principal amount hereof has been
fully paid. Both the principal of and interest on this Note
are payable in any coin or currency which, on the respective
dates of payment thereof, shall be legal tender for the payment
of public and private debts, by check or draft issued by the
State Treasurer of the State of South Carolina to the registered
holder hereof.

THIS NOTE, designated as WHITTEN VILLAGE NOTE, is issued
pursuant to and in accordance with the Constitution and Laws of
the State of South Carolina, including particularly the provis-
ions of Act No. 455 of the Acts of the General Assembly for the

year 1961, as amended by an Act entitled: "AN ACT TO INCREASE THE AUTHORIZATION FOR EXPENDITURES FOR THE SOUTH CAROLINA STATE HOSPITAL PURSUANT TO ACT NO. 455 OF 1961 FROM FIVE MILLION DOLLARS TO SIX MILLION DOLLARS, TO PERMIT THE RETIREMENT BEFORE MATURITY OF ONE MILLION DOLLARS OF NOTES ISSUED PURSUANT TO ACT NO. 455 WITH FUNDS IN THE SINKING FUND ESTABLISHED TO SECURE ALL NOTES ISSUED FOR THE SOUTH CAROLINA STATE HOSPITAL PURSUANT TO ACT NO. 455 AND TO PERMIT THE ISSUANCE OF NOTES FOR THE SOUTH CAROLINA STATE HOSPITAL PURSUANT TO ACT NO. 455 TO THE EXTENT OF FIVE MILLION DOLLARS IN ADDITION TO THE ONE MILLION DOLLARS HERETOFORE ISSUED PURSUANT TO ACT NO. 455," Approved March 22, 1962 (hereinafter collectively called the "Enabling Act"), and Resolutions duly adopted by the State Budget and Control Board of South Carolina, for the purpose of raising moneys for additional facilities at Whitten Village.

In addition to the instalments of principal required to be paid as hereinabove set forth, the right is reserved to the State of South Carolina to prepay on June 1, 1967, and all subsequent interest payment dates, instalments of principal in inverse chronological order, and in multiples of \$1,000, and at the price of 102% (expressed in terms of percentage amount of such prepayment), plus accrued interest to the date of prepayment.

Notice of any such optional prepayment shall be given at least thirty days prior to the prepayment date by mailing to the registered owner of this Note a notice fixing such prepayment date, the amount of principal and the premium, if any, to be prepaid.

THIS NOTE may be assigned and upon such assignment the assignor shall promptly notify the State Treasurer in the City of Columbia, South Carolina, by registered mail, and upon the surrender of this Note to the State Treasurer either in exchange for a new fully registered Note or for transfer on the registration records and verification of the endorsements made on the

Payment Record attached hereto of the portion of the principal amount hereof and interest hereon paid or prepaid, and every such assignee shall take this Note subject to such condition.

As provided in the Resolution of State Budget and Control Board, making provision for the issuance of this Note, this Note is exchangeable at the expense of the holder, and upon terms and conditions to be prescribed by the said State Budget and Control Board, for coupon Notes in such form as the said State Budget and Control Board shall prescribe, of the denomination of \$1,000 each, in an aggregate principal amount equal to the unpaid principal amount of this Note on the occasion of such conversion.

For the payment of the instalments of principal of and interest on this Note, as the same respectively mature, there are hereby pledged all revenues derived from paying patients at Whitten Village and the moneys in the Sinking Fund established pursuant to the directive of the Enabling Act. And, in addition thereto, and as further security for the payment of the instalments of principal of and interest on this Note, there are hereby pledged, to the extent related in the aforesaid Resolution of the State Budget and Control Board, the revenues derived by the State of South Carolina from the taxes levied upon inheritances, gifts and estates of deceased persons.

The pledge of revenues derived from paying patients at Whitten Village is declared to be on a parity with the pledge heretofore made to secure the payment of the principal and interest of \$550,000 of Notes heretofore issued for Whitten Village pursuant to the Enabling Act.

The pledge of the revenues derived from the taxes levied by the State of South Carolina upon inheritances, gifts and the estates of deceased persons is on a parity with an existing pledge made to secure the now outstanding \$400,000 of an original issue of \$1,000,000 of Notes issued pursuant to Act No. 234 of

the Acts of 1955, and all Notes issued or to be issued pursuant to the Enabling Act.

The right is further reserved to issue additional obligations of the State of South Carolina to be authorized by legislation subsequently to be enacted and to be secured by a pledge on a parity with the pledge of revenues derived from the taxes levied upon inheritances, gifts and estates of deceased persons, to the extent and under the conditions related in the Enabling Act.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts and things required by the Constitution or Statutes of the State of South Carolina to exist, be performed or happen precedent to or in the issuance of this Note, exist, have been performed and have happened, and that the amount of this Note, together with all other indebtedness of the State of South Carolina, does not exceed any limit prescribed by such Constitution or Statutes.

IN WITNESS WHEREOF, the STATE OF SOUTH CAROLINA has caused this NOTE to be signed by the Governor of South Carolina and by the State Treasurer of South Carolina, and has caused the Great Seal of the State to be affixed hereto or impressed hereon and attested by the Secretary of State, and this Note to be dated the first day of June, 1962.

Governor

Attest:

State Treasurer

Secretary of State

FORM OF ASSIGNMENT

(a form similar to this but not attached to the within Note may also be used).

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____
the within Note of the State of South Carolina, and hereby

irrevocably constitutes and appoints _____,
Attorney, to transfer the same on books of the State Treasurer,
with full power of substitution in the premises.

Dated: _____

DATE OF REGISTRATION	NAME OF REGISTERED HOLDER	SIGNATURE OF STATE TREASURER OR DEPUTY
June 1, 1962	State Budget and Control Board of South Carolina, as Trustee	

PAYMENT RECORD

Due Date	Principal payment	Principal Balance due	Interest Payment 4-1/2%	Date Paid	Signature of State Treasurer or his Deputy
Dec. 1 1962	:	:	:	:	:
June 1 1963	\$50,000	:	:	:	:
Dec. 1 1963	:	:	:	:	:
June 1 1964	\$50,000	:	:	:	:
Dec. 1 1964	:	:	:	:	:
June 1 1965	\$50,000	:	:	:	:
Dec. 1 1965	:	:	:	:	:
June 1 1966	\$50,000	:	:	:	:
Dec. 1 1966	:	:	:	:	:
June 1 1967	\$50,000	:	:	:	:
Dec. 1 1967	:	:	:	:	:
June 1 1968	\$50,000	:	:	:	:
Dec. 1 1968	:	:	:	:	:
June 1 1969	\$50,000	:	:	:	:
Dec..1 1969	:	:	:	:	:
June 1 1970	\$50,000	:	:	:	:
Dec. 1 1970	:	:	:	:	:
June 1 1971	\$50,000	:	:	:	:
Dec. 1 1971	:	:	:	:	:
June 1 1972	\$50,000	:	:	:	:
Dec. 1 1972	:	:	:	:	:

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment 4-1/2%	Date Paid	Signature of State Treasurer or his Deputy
June 1 1973	\$45,000	:	:	:	:
Dec. 1 1973		:	:	:	:
June 1 1974	\$45,000	:	:	:	:
Dec. 1 1974		:	:	:	:
June 1 1975	\$45,000	:	:	:	:
Dec. 1 1975		:	:	:	:
June 1 1976	\$45,000	:	:	:	:
Dec. 1 1976		:	:	:	:
June 1 1977	\$45,000	:	:	:	:
Dec. 1 1977		:	:	:	:
June 1 1978	\$45,000	:	:	:	:
Dec. 1 1978		:	:	:	:
June 1 1979	\$45,000	:	:	:	:
Dec. 1 1979		:	:	:	:
June 1 1980	\$45,000	:	:	:	:
Dec. 1 1980		:	:	:	:
June 1 1981	\$45,000	:	:	:	:
Dec. 1 1981		:	:	:	:
June 1 1982	\$45,000	:	:	:	:

SECTION 20.

The State Budget and Control Board, in its capacity as the owner and holder of the outstanding \$400,000 State of South Carolina Notes, dated October 15, 1955, maturing October 15 in each of the years 1962 to 1965, inclusive, issued pursuant to Act No. 234 of the Acts of 1955, hereby consents that all Notes issued pursuant to Act No. 455 as now amended, on behalf of South Carolina State Hospital and Whitten Village, up to the limitations now set forth in said Act, shall be on a parity, in all respects, with the said \$400,000 of notes issued pursuant to said Act No. 234 of 1955, and that the pledge of revenues derived by the State of South Carolina from taxes imposed upon inheritances, gifts and the estates of deceased persons shall equally and ratably secure the same. The State Treasurer is hereby authorized and empowered to place upon the face of each of said Notes issued pursuant to Act No. 234 of 1955, a written statement evidencing this action.

SECTION 21.

The pledge of the revenues derived by the State of South Carolina from taxes imposed upon inheritances, gifts and the estates of deceased persons, herein made to additionally secure the South Carolina State Hospital Notes and Whitten Village Notes shall not be deemed closed, and obligations may hereafter be issued by the State of South Carolina (if authorized by appropriate legislative enactment) secured in whole or in part by a pledge of the revenues derived by the State of South Carolina from taxes levied upon inheritances, gifts and the estates of deceased persons, on a parity in all respects with the pledges made to secure:

(a) All South Carolina State Hospital Notes issued pursuant to the Enabling Act; and

(b) All Whitten Village Notes issued pursuant to the Enabling Act,

within the 150% coverage limitation of Act No. 455.

Further action shall be taken, however, before any such future pledge shall become on a parity with the existing pledge previously made to secure the outstanding \$400,000 of State of South Carolina Notes issued pursuant to said Act No. 234 of the Acts of 1955, it being intended that while the right is reserved to issue additional obligations secured in whole or in part by a pledge of revenues derived by the State of South Carolina from the taxes levied upon inheritances, gifts and estates of deceased persons, which shall be on a parity with all Notes issued pursuant to said Act No. 455 as amended, further action, pursuant to appropriate legislation, is required before such a pledge securing the outstanding \$400,000 of Notes issued pursuant to Act No. 234 of 1955, notwithstanding that the action herewith taken shall have the effect of placing all Notes heretofore or hereafter issued pursuant to said Act No. 455 as amended on a parity with said outstanding \$400,000 of Notes.

SECTION 22.

The State Budget and Control Board, in its capacity as Trustee of the funds of the South Carolina Retirement System, hereby consents to the payment and retirement on June 1, 1962, of the \$1,000,000 of Notes issued as of June 1, 1961, for South Carolina State Hospital, and agrees to accept in payment therefor the principal due thereon and accrued interest to June 1, 1962.

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