

MINUTES OF MEETINGS

SOUTH CAROLINA

STATE BUDGET AND CONTROL BOARD

FISCAL YEAR
1968-69

1. July 8, 1968
2. September 13, 1968
3. October 10, 1968
4. October 29, 1968
5. November 26, 1968
6. December 11, 1968
7. December 12, 1968
8. December 20, 1968
9. January 29, 1969
10. February 19, 1969
11. March 12, 1969
12. March 18, 1969
13. March 20, 1969
14. April 10, 1969
15. April 23, 1969
16. May 14, 1969
17. May 26, 1969
18. June 4, 1969
19. June 25, 1969

MINUTES OF MEETINGS

SOUTH CAROLINA

STATE BUDGET AND CONTROL BOARD

FISCAL YEAR

1968-69

AGENDA MATERIALS
AND SUPPORTING DOCUMENTS
FOR THE MEETING OF
JULY 8, 1968

SINKLER, GIBBS & SIMONS
ATTORNEYS & COUNSELLORS AT LAW

TELEPHONE 722-3367
AREA CODE 803

HUGER SINKLER
CHARLES H. GIBBS
ALBERT SIMONS, JR.
THEODORE B. GUERARD
D. DANA SINKLER
THOMAS G. BUIST
RUTH WILLIAMS

2 PRIOLEAU STREET
CHARLESTON, S. C. 29402

July 3, 1968

Honorable P. C. Smith
State Auditor
Hampton Office Building
Columbia, South Carolina

Dear Pat:

Re: \$1,470,000 State Institution Bonds
Issued on behalf of the University
of South Carolina.

I enclose herein the original and seven (7) copies of
a Resolution authorizing the issuance of the above bonds, to be
adopted by the Budget and Control Board at the meeting to be
held July 8, 1968.

The original is for the records of the Board, and the
seven (7) copies, when certified are to be returned to me for
use in preparing the transcripts.

With kind regards,

Sincerely yours,

HS:mw
Encs.

Heeger

*Approved
by Mail*

COPY



STATE OF SOUTH CAROLINA
OFFICE OF THE STATE AUDITOR
P. O. BOX 11333
COLUMBIA

P. C. SMITH
STATE AUDITOR

July 3, 1968

TO THE STATE BUDGET AND CONTROL BOARD

Gentlemen:

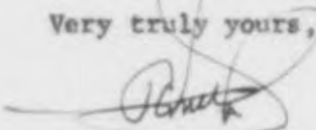
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The University has arranged with the Federal Department of Housing and Urban Development (HUD) to take these bonds at 3%. Federal procedure, however, requires that the bonds be formally advertised and sold publicly even though there is practically no prospect whatever of a bid better than 3%.

Board action is required on the formal resolution authorizing the issuance of these bonds which is being prepared by Huger Sinkler.

We would appreciate your indicating your position on this request at your earliest convenience. It is planned to advertise for bids to be received about July 18.

Very truly yours,

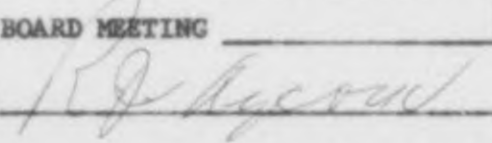

P. C. Smith
State Auditor

PCS:dr

I APPROVE _____

I DISAPPROVE _____

HOLD FOR NEXT BOARD MEETING _____

(SIGNED) 

6

COPY



STATE OF SOUTH CAROLINA
OFFICE OF THE STATE AUDITOR
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COLUMBIA

P. C. SMITH
STATE AUDITOR

July 3, 1968

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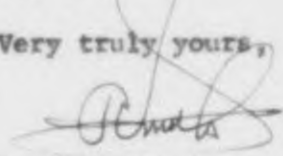
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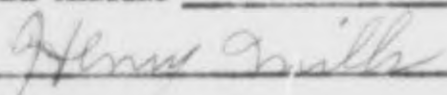
PCS:dr

I APPROVE

I DISAPPROVE

HOLD FOR NEXT BOARD MEETING

(SIGNED)

COPY



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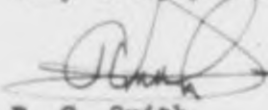
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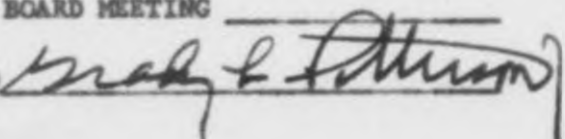

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State Auditor

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I DISAPPROVE _____

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COLUMBIA

P. C. SMITH
STATE AUDITOR

July 3, 1968

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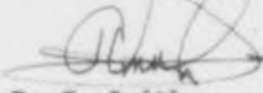
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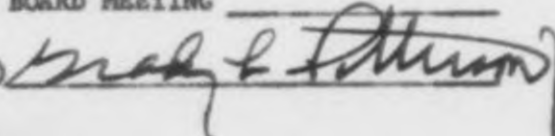
PCS:dr

I APPROVE _____

I DISAPPROVE _____

HOLD FOR NEXT BOARD MEETING _____

(SIGNED)



72

The Senate
STATE OF SOUTH CAROLINA

From the Uncluttered Desk of:

EDGAR A. BROWN
SENATOR, BARNWELL COUNTY
BARNWELL, SOUTH CAROLINA

July 5, 1968

Pat:

If this is what we understood at the
last meeting.

EAB

P- 8

COPY



STATE OF SOUTH CAROLINA
OFFICE OF THE STATE AUDITOR
P. O. BOX 11333
COLUMBIA

P. C. SMITH
STATE AUDITOR

July 3, 1968

TO THE STATE BUDGET AND CONTROL BOARD

Gentlemen:

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Very truly yours,

A handwritten signature in cursive script, likely belonging to P. C. Smith.

P. C. Smith
State Auditor

PCS:dr

I APPROVE

I DISAPPROVE

HOLD FOR NEXT BOARD MEETING

(SIGNED)

A handwritten signature in cursive script, likely belonging to a member of the State Budget and Control Board.



STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR

P. O. BOX 11333

COLUMBIA

P. C. SMITH
STATE AUDITOR

July 3, 1968

TO THE STATE BUDGET AND CONTROL BOARD

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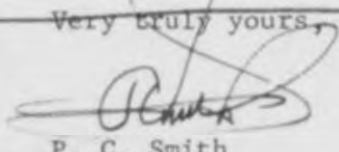
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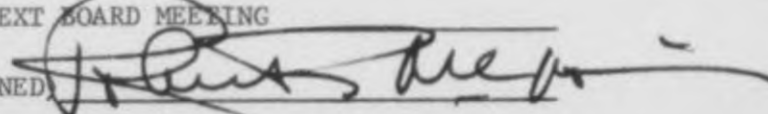
PCS:dr

I APPROVE

I DISAPPROVE

HOLD FOR NEXT BOARD MEETING

(SIGNED)





STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR

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P. C. SMITH
STATE AUDITOR

July 3, 1968

TO THE STATE BUDGET AND CONTROL BOARD

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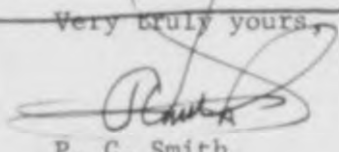
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P. C. Smith
State Auditor

PCS:dr

I APPROVE

I DISAPPROVE

HOLD FOR NEXT BOARD MEETING

(SIGNED) 

✓

910

THE STATE OF SOUTH CAROLINA.

As an incident to the adoption of this Resolution, the State Budget and Control Board of South Carolina (the State Board) acting pursuant to the authorizations of Chapter 2, Title 22, Volume 6, Code of Laws of South Carolina, 1962, as amended, finds as follows:

1. Heretofore, and with the approval of the State Board, the Trustees of the University of South Carolina (the Trustees) entered into a Loan Agreement with the U. S. Department of Health, Education, and Welfare (HEW), bearing HEW Project Number 5-4-00265-0 (5-2309) (the Loan Agreement), by which the Trustees agreed that they would cause to be issued State Institution Bonds pursuant to Chapter 2, Title 22, Code of Laws of South Carolina, 1962, as amended, in the aggregate principal amount of \$1,551,000 (later reduced to \$1,470,000), in order to provide funds to pay a portion of the cost of constructing and equipping:

A classroom complex, with faculty office facilities, located on the Southeast corner of College and Pickens Streets, Columbia, South Carolina, known as the Humanities Center.

2. Afterwards, as of April 18, 1968, an application in the form of a certified copy of a Resolution adopted by the Trustees at a meeting duly called and regularly held on April 18, 1968, was presented to the State Board, seeking the issuance of \$1,470,000 State Institution Bonds pursuant to Chapter 2, Title 22, Code of Laws of South Carolina, 1962, as amended, to provide funds for the payment of a portion of the cost of the project above described.

3. The State Board has duly and carefully considered the application and has determined that it should be approved, inasmuch as it has been determined that an immediate need exists for the permanent improvements set forth in the foregoing application and that funds must be raised therefor.

4. On the basis of the foregoing, the State Board adopts this Resolution for the purpose of making the findings required of it by Section 22-25, Code of Laws of South Carolina, 1962, as amended, and in order to make formal request to the Governor and State Treasurer pursuant to Section 22-26, Code of Laws of South Carolina, 1962, as amended, for the issuance of \$1,470,000 of State Institution Bonds pursuant to Chapter 2, Title 22, Code of Laws of South Carolina, 1962, as amended.

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

I

The State Board has ascertained and hereby determines:

(1) That there is a definite and immediate need for permanent improvements at the University of South Carolina in the form of the project described below, and that funds therefor to the extent of \$1,470,000 are required, and that application for such funds be and the same is hereby approved.

The project consists of the following:

A classroom complex, with faculty office facilities, located on the Southeast corner of College and Pickens Streets, Columbia, South Carolina, known as the Humanities Center.

(2) The bonds to be issued to provide such funds shall be dated as of June 1, 1968, shall bear interest in accordance with the terms and conditions of the Notice of Sale attached hereto as Exhibit "C," payable on June 1 and December 1 of each year, commencing December 1, 1968, said interest rate to be not in excess of 3% per annum. Said bonds shall be dated as of June 1, 1968 and shall mature on December 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1968	\$55,000	1978	\$75,000
1969	55,000	1979	75,000
1970	55,000	1980	90,000
1971	55,000	1981	90,000
1972	65,000	1982	90,000
1973	65,000	1983	90,000
1974	65,000	1984	90,000
1975	65,000	1985	90,000
1976	75,000	1986	90,000
1977	75,000	1987	60,000

(3) That the following schedule of tuition fees in effect at the University of South Carolina is a satisfactory and proper schedule:

<u>TYPE OF STUDENT</u>	<u>TUITION FEES FOR ACADEMIC YEAR</u>
Resident Academic	\$150
Non-resident Academic	\$350
Resident Law	\$160
Non-resident Law	\$360

That the aggregate tuition fees received by the University of South Carolina for the 12 calendar months preceding the month in which such application was made, viz., the twelve months ended March 31, 1968, will, if multiplied by the number of years for which bonds issued pursuant to Chapter 2, Title 22, Code of Laws of South Carolina, 1962, as amended, shall be outstanding, result in the production of a sum equal to not less than 150% of the aggregate principal

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1968	\$55,000	1978	\$75,000
1969	55,000	1979	75,000
1970	55,000	1980	90,000
1971	55,000	1981	90,000
1972	65,000	1982	90,000
1973	65,000	1983	90,000
1974	65,000	1984	90,000
1975	65,000	1985	90,000
1976	75,000	1986	90,000
1977	75,000	1987	60,000

(3) That the following schedule of tuition fees in effect at the University of South Carolina is a satisfactory and proper schedule:

<u>TYPE OF STUDENT</u>	<u>TUITION FEES FOR ACADEMIC YEAR</u>
Resident Academic	\$150
Non-resident Academic	\$350
Resident Law	\$160
Non-resident Law	\$360

That the aggregate tuition fees received by the University of South Carolina for the 12 calendar months preceding the month in which such application was made, viz., the twelve months ended March 31, 1968, will, if multiplied by the number of years for which bonds issued pursuant to Chapter 2, Title 22, Code of Laws of South Carolina, 1962, as amended, shall be outstanding, result in the production of a sum equal to not less than 150% of the aggregate principal

and interest requirements of the State Institution Bonds issued for such institution to be outstanding following the approval of this application.

The aggregate tuition fees received by the University of South Carolina for the twelve calendar months beginning April 1, 1967 and ending March 31, 1968, are as follows:

<u>NAME OF INSTITUTION</u>	<u>TUITION FEES RECEIVED</u>
University of South Carolina	\$1,721,401.15

(5) The Trustees have agreed that such schedule of tuition fees in effect at such institution 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 of the proposed bonds for said institution.

(6) The State Board has made the findings required of it by Section 22-25, Code of Laws of South Carolina, 1962, as amended, and hereby approves the application of the University of South Carolina above referred to, which has not been modified.

II

In order to comply with the provisions of Chapter 2, Title 22, Code of Laws of South Carolina, 1962, as amended, the State Board hereby sets forth the following:

(1) The name of the State Institution seeking funds and the amount of its application are as follows:

University of South Carolina	\$1,470,000
------------------------------	-------------

(2) The annual principal and interest requirements of all outstanding bonds issued for the University of South Carolina, the proposed maturity schedule of the bonds now sought to be issued, the anticipated interest cost for each year during the life of the bonds now sought to be issued (computed at 3%), and the aggregate annual principal and interest requirements of the bonds now sought to be issued, are set forth in Schedules 1 through 3, inclusive. Such schedules likewise set forth the sum received by such Institution from tuition fees for the 12 calendar months preceding the month in which the application of such Institution was dated, and further establishes that the coverage test prescribed by Section 22-25, Code of Laws of South Carolina, 1962, as amended, has been met.

III

The State Board finds that the total aggregate principal requirements of all State Institution Bonds to be outstanding, following the issuance of the State Institution Bonds sought to be issued, will be the sum of \$38,045,000. As of June 21, 1968, the cash value of funds held by the State Treasurer pursuant to Section 22-38 of the Code, in the special fund for the payment of the principal and interest of bonds issued pursuant to Chapter 2, Title 22, of the Code, as amended, amounts to \$ 4,408,613.86, and accordingly, the amount of bonds to be outstanding, following

the issuance of the bonds for which the application has been granted, is within the statutory limit prescribed by Section 22-29 of the Code, as amended.

IV

State Institution Bonds, in the aggregate principal amount of \$1,470,000 shall be issued. Said bonds shall be issued either as a fully registered bond, numbered R-1, (convertible into negotiable coupon bonds), in the form attached hereto as Exhibit "B", or in the form of negotiable coupon bonds, in the denomination of \$5,000 each, numbered A-1 to A-294, inclusive, in the form attached hereto as Exhibit "A".

The bonds of said issue maturing subsequent to December 1, 1972 shall be subject to redemption, in whole or in part, but if in part, in inverse numerical order, on December 1, 1972 and all subsequent interest payment dates, at par, plus accrued interest, plus a redemption premium of 2% of the principal amount of each bond redeemed.

V

In order to exercise the privilege of redemption reserved, notice thereof shall be given as follows:

(a) In the event that the bonds shall be outstanding as coupon bonds, by publication of a notice in a financial newspaper, published in the City of New York, State

of New York, at least once, not less than thirty days nor more than sixty days prior to the redemption date; and

(b) In the event the bonds shall be outstanding as a fully registered bond, by written notice thereof given to the registered holder thereof, not less than thirty days nor more than sixty days prior to the redemption date.

Each such notice shall set forth the amount of the bonds to be prepaid and shall, in the case of negotiable coupon bonds, set forth their numbers.

VI

The action heretofore taken by the Trustees in entering into the Loan Agreement with HEW and agreeing to its modification, be and the same is hereby fully ratified and approved.

VII

All bonds shall be duly executed in the manner prescribed by Section 22-33, Code of Laws of South Carolina, 1962.

VIII

Bonds when issued in fully registered form shall be expressed to be payable, if held by the United States of America, U. S. Commissioner of Education, at the Federal Reserve Bank of

Richmond, Richmond, Virginia, and if assigned by the original payee, at the option of the holder thereof, at the principal office of State Bank & Trust Company, in the City of Columbia, State of South Carolina, or, at the option of the holder, at the principal office of Bankers Trust Company, in the City of New York, State of New York.

Bonds outstanding in coupon form shall be payable at the principal office of State Bank & Trust Company, in the City of Columbia, State of South Carolina, or, at the option of the holder, at the principal office of Bankers Trust Company, in the City of New York, State of New York.

IX

The proceeds of the bonds shall be deposited with the State Treasurer of South Carolina, who shall apply the same to the purposes for which such bonds are issued, except that any sum received by way of accrued interest shall be held and applied by the State Treasurer to the payment of principal and interest of the bonds falling due on December 1, 1968.

X

The State Board does hereby direct that formal request be made of the Governor and the State Treasurer to make provision for the issuance of 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.

*Schedule 1 - University of South Carolina

CALENDAR YEAR	DEBT SERVICE OF OUTSTANDING BONDS	DEBT SERVICE OF PROPOSED ISSUE	TOTAL
1968	\$ 1,167,750	\$ 77,050	\$ 1,244,800
1969	1,374,450	97,450	1,471,900
1970	1,343,400	95,800	1,439,200
1971	1,312,350	94,150	1,406,500
1972	1,291,300	102,500	1,393,800
1973	1,259,650	100,550	1,360,200
1974	1,229,000	98,600	1,327,600
1975	1,198,350	96,650	1,295,000
1976	1,177,700	104,700	1,282,400
1977	1,146,450	102,450	1,248,900
1978	1,115,200	100,200	1,215,400
1979	1,083,550	97,950	1,181,500
1980	1,061,650	110,700	1,172,350
1981	529,150	108,000	637,150
1982	512,750	105,300	618,050
1983	346,350	102,600	448,950
1984	344,625	99,900	444,525
1985	82,300	97,200	179,500
1986	78,100	94,500	172,600
1987	68,900	61,800	130,700
	<u>\$17,722,975</u>	<u>\$1,948,050</u>	<u>\$19,671,025</u>
	=====	=====	=====

*The variance in this schedule from Schedule III presented with the application of the University results from the fact that during the period of time pending action by the State Board, interest as of June 1, 1968 was paid on three outstanding issues.

Schedule 2 - University of South Carolina
(Prepared as of 6-21-68)

CALCULATION ESTABLISHING COMPLIANCE WITH THE PROVISIONS OF
SECTION 22-25(3) - CODE OF LAWS OF SOUTH CAROLINA, 1962.

1. Debt Service Requirements (From Schedule 1)	\$19,671,025.00
2. <u>Less</u> Sinking Fund	<u>\$ 1,590,763.11</u>
3. Total net debt	\$18,080,261.89
4. 150% of Item 3 above	\$27,120,392.84
5. Tuition fees for 12 calendar months preceding date of application (4-18-68)	\$ 1,721,401.15
6. Product of \$1,721,401.15 times 19½ (the years in which the Institution Bonds are to be outstanding, viz., from June 1, 1968 to December 1, 1987)	\$33,567,322.42
7. <u>Less</u> Item 4 above	<u>\$27,120,392.84</u>
8. Margin	\$ 6,446,929.58

The policy of the State Budget and Control Board prescribes that tuition fees for the twelve calendar months used in the preceding calculation equal or exceed 110% of the maximum annual debt service requirements for bonds to be outstanding.

The tuition fees for such twelve calendar months amounted to \$1,721,401.15 which indicates a margin over 110% of maximum annual debt service on bonds to be outstanding, which occurs in the year 1969, and amounts to \$1,471,900.

Schedule 3
(Prepared as of 6-21-68)

SCHEDULE SHOWING COMPLIANCE WITH STATUTORY DEBT LIMITATION SET BY
SECTION 22-29, CODE OF LAWS OF SOUTH CAROLINA, 1962, AS AMENDED.

Total State Institution Bonds
previously issued:

Issue of 12-1-65	\$20,000,000.00
Issue of 4-1-66 (Winthrop)	500,000.00
Issue of 5-1-67	15,700,000.00
Issue of 12-1-67	<u>3,645,000.00</u>

Total	\$39,845,000.00
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Bonds paid to date	<u>\$ 3,270,000.00</u>
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\$36,575,000.00

Bonds now proposed to be issued	<u>\$ 1,470,000.00</u>
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Total to be outstanding	\$38,045,000.00
-------------------------	-----------------

Statutory debt limit	\$50,000,000.00
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Margin (After issue of bonds proposed herein)	\$11,955,000.00
---	-----------------

Total Sinking Funds as of June 21, 1968	\$4,408,613.86
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EXHIBIT A

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
STATE INSTITUTION BOND
SERIES A
(ISSUED ON BEHALF OF THE UNIVERSITY OF SOUTH CAROLINA)

\$5,000
Number
A _____

\$5,000
Number
A _____

The STATE OF SOUTH CAROLINA hereby acknowledges that it is indebted and for value received, promises to pay to the BEARER HEREOF, or, if this bond be registered, to the REGISTERED HOLDER HEREOF, the sum of

FIVE THOUSAND DOLLARS

on the first day of December, 19 ____ (unless this bond be subject to redemption and shall have been duly called for previous redemption and payment of the redemption price made or provided for), with interest thereon, from the date of this bond, at the rate of _____ per centum (%) per annum, payable on June 1 and December 1 in each year, beginning on December 1, 1968, according to the tenor, and upon presentation and surrender, of the annexed coupons as they severally become due, or, if this bond be registered as to both principal and interest, to the registered holder hereof. Both the principal of and interest on this bond are payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. Unless this bond be registered, all payments of principal and interest will be made at the principal office of State Bank & Trust Company,

in the City of Columbia, State of South Carolina, or, at the option of the holder, at the principal office of Bankers Trust Company, in the City of New York, State of New York.

At the written request of the holder, and upon presentation of this bond to the State Treasurer of South Carolina, this bond will be registered in the holder's name on the books of the State Treasurer as to principal only, or as to both principal and interest, and such registration noted hereon by the State Treasurer, after which no transfer of this bond shall be valid unless made on said books and noted hereon, or, unless in case of registration as to principal only, the last registered transfer so noted shall have been to bearer. Registration as to principal only shall not affect the negotiability of the coupons hereto attached, which shall continue to pass by delivery. If this bond be registered as to principal only, payment of the principal of this bond will be made directly to the registered holder by the State Treasurer. In case of registration as to both principal and interest, all unmatured coupons will be cut off and destroyed by the State Treasurer, and that fact noted hereon by him. If this bond be registered as to both principal and interest, payment of the principal of and interest on this bond will be made directly to the registered holder by the State Treasurer.

The bonds of this series maturing on and after December 1, 1973 are subject to redemption, at the option of the State of South Carolina, on December 1, 1972, and on all subsequent interest payment

dates, at par and accrued interest to the date of redemption, plus a redemption premium of One Hundred Dollars (\$100) for each bond redeemed. If bonds are called for redemption prior to their stated maturity, notice of redemption, describing the bonds to be redeemed and specifying the redemption date, must be given by the State of South Carolina by publication at least once, not less than thirty days and not more than sixty days prior to the redemption date, in a financial journal published in the Borough of Manhattan, City and State of New York. Interest on the bonds to be redeemed shall cease to accrue from and after the redemption date specified in such notice unless the state of South Carolina defaults in the payment of the redemption price thereof. If less than all of the outstanding bonds of this series are to be redeemed prior to their maturity, the bonds to be redeemed shall be redeemed in their inverse numerical order.

This bond is one of a series of bonds in the aggregate principal amount of One Million Four Hundred Seventy Thousand Dollars (\$1,470,000) of like tenor, except as to number, rate of interest, date of maturity and redemption provisions, issued pursuant to and in accordance with the Constitution and Laws of the State of South Carolina, including particularly the provisions of Chapter 2, Title 22, Volume 6, Code of Laws of South Carolina, 1962, as amended, for the purpose of financing certain permanent improvements at the University of South Carolina.

The full faith, credit and taxing power of the State of South Carolina are hereby pledged for the payment of the principal of and interest on this bond, and in addition thereto, but subject to the provisions of the statute law above referred to, all tuition fees charged at the University of South Carolina.

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 bond, exist, have been performed and have happened, and that the amount of this bond, 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 bond to be signed by a facsimile signature of the Governor of South Carolina and by the manual signature of the State Treasurer of South Carolina, and has caused the Great Seal of the State to be reproduced hereon and attested by the manual signature of the Secretary of State of South Carolina, and the coupons hereto attached to be authenticated by the facsimile signature of the State Treasurer in office on the date of this bond, and this bond to be dated June 1st, 1968.

(SEAL)

Governor

Attest:

State Treasurer

w

Secretary of State

25

(FORM OF COUPON)

The STATE OF SOUTH CAROLINA on the 1st day of _____,
 19____ (unless the bond mentioned below be sooner redeemed) will pay
 to BEARER _____ DOLLARS (\$ _____)
 at the principal office of State Bank & Trust Company, in the City of
 Columbia, State of South Carolina, or, at the option of the holder,
 at the principal office of Bankers Trust Company, in the City of New
 York, State of New York, in any coin or currency of the United States
 of America which is then legal tender for the payment of public and
 private debts, being the semi-annual interest then due on its STATE
 INSTITUTION BOND, SERIES A, (issued on behalf of the University of
 South Carolina), dated June 1st, 1968. No. _____.

 State Treasurer

(FORM OF REGISTRATION TO APPEAR ON THE REVERSE OF EACH BOND)

IT IS HEREBY CERTIFIED that upon the written request of
 the holder of the within bond for its registration as to both
 principal and interest, I have this day cut off and destroyed all
 unmatured coupons of said bond, being _____ in number, and that
 the principal and interest of said bond are payable to the registered
 holder or his legal presentative or successor.

Dated: _____, 19____.

 State Treasurer

NO WRITING ON THIS BOND EXCEPT BY
THE STATE TREASURER OR HIS DEPUTY

The registration indicated below is to be deemed to be as
to principal only, unless the above certificate has been executed by
the State Treasurer.

<u>DATE OF REGISTRATION</u>	<u>NAME OF REGISTERED HOLDER</u>	<u>STATE TREASURER</u>
-----------------------------	----------------------------------	------------------------

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(FORM OF PANEL FOR BACK OF BOND)

NO. _____

STATE OF SOUTH CAROLINA

\$5,000

STATE INSTITUTION BOND

SERIES A

(ISSUED ON BEHALF OF THE UNIVERSITY OF SOUTH CAROLINA)

PER _____ CENT

PRINCIPAL DUE

DECEMBER 1, 19 _____

(UNLESS SOONER REDEEMED)

INTEREST PAYABLE

JUNE 1 and DECEMBER 1

(BEGINNING DECEMBER 1, 1968)

PRINCIPAL AND INTEREST PAYABLE

AT

State Bank & Trust Company
Columbia, South Carolina

or

Bankers Trust Company
New York, New York

EXHIBIT B

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
STATE INSTITUTION BOND
SERIES A
(ISSUED ON BEHALF OF THE UNIVERSITY OF SOUTH CAROLINA)

NUMBER R-1

\$1,470,000

The STATE OF SOUTH CAROLINA (herein sometimes called the "Borrower") hereby acknowledges itself indebted, and for value received, promises to pay to the

UNITED STATES OF AMERICA, U. S. COMMISSIONER OF EDUCATION, or his successor (herein sometimes called the "Payee"), or his registered assigns (herein sometimes called the "Alternate Payee"), the principal sum of

ONE MILLION FOUR HUNDRED SEVENTY THOUSAND DOLLARS (\$1,470,000), on the first day of December, in the years and installments as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1968	\$55,000	1978	\$75,000
1969	55,000	1979	75,000
1970	55,000	1980	90,000
1971	55,000	1981	90,000
1972	65,000	1982	90,000
1973	65,000	1983	90,000
1974	65,000	1984	90,000
1975	65,000	1985	90,000
1976	75,000	1986	90,000
1977	75,000	1987	60,000

in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, and to pay interest, from the date of the delivery hereof (as established by the certificate of delivery at the foot of

this bond), on the balance of said principal sum from time to time remaining unpaid, in like coin or currency, at the rate of three per centum (3%) per annum, semi-annually on June 1st and December 1st of each year, commencing December 1st, 1968 until the principal amount hereof has been paid. During the time the Payee is the registered owner of this Bond, payment of the principal installments and interest due shall be made at the Federal Reserve Bank of Richmond, Richmond, Virginia, or such other fiscal agent as the Payee shall designate (herein called the "Fiscal Agent"). During such time as an Alternate Payee is the registered owner hereof, said payments shall be made at the principal office of State Bank & Trust Company, in the City of Columbia, State of South Carolina, or, at the option of the Alternate Payee, at the principal office of Bankers Trust Company, in the Borough of Manhattan, City and State of New York (herein called the "Alternate Paying Agent"). Payments of principal and interest, including prepayments of installments of principal as hereinafter provided, shall be noted on the Payment Record made a part of this Bond, and such payments shall fully discharge the obligations of the Borrower hereon to the extent of the payments so made. Upon final payment of the principal and interest, this Bond shall be submitted to the State Treasurer for cancellation.

THIS BOND is issued pursuant to and in accordance with the Constitution and Laws of the State of South Carolina, including

particularly the provisions of Chapter 2, Title 22, Volume 6, Code of Laws of South Carolina, 1962, as amended, for the purpose of financing certain permanent improvements at the University of South Carolina.

This Bond is exchangeable, without expense to the registered owner hereof and upon surrender of this Bond to the State Treasurer of South Carolina, at the office of the Treasurer, in the City of Columbia, South Carolina, for negotiable coupon bonds, payable to bearer, registrable as to principal only, or, as to both principal and interest, of the denomination of Five Thousand Dollars (\$5,000) each, in an aggregate principal amount equal to the unpaid principal amount of this Bond, and in the form of such coupon bond as is prescribed by the proceedings authorizing the issuance of this Bond.

In addition to the installments of principal required to be paid as hereinabove set forth, the right is reserved to the State of South Carolina to prepay on December 1st, 1972 and on all subsequent interest payment dates the entire principal amount hereof then remaining unpaid, or such lesser portion thereof as it may determine upon in inverse chronological order of said installments and in multiples of Five Thousand Dollars, at 102% of the principal amount of such balance, plus accrued interest to the date of prepayment; PROVIDED, HOWEVER, that so long as the registered owner hereof shall be the Payee, the Borrower may prepay on any interest payment date the entire unpaid principal amount hereof, or, from time to time in inverse chronological order of the said installments, such lesser portion thereof in multiples of Five Thousand Dollars, as the Borrower may determine, at the principal

amount thereof, plus accrued interest to the date of such 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 Bond a notice fixing such prepayment date, the amount of principal and the premium, if any, to be prepaid.

This Bond may be assigned and upon such assignment the assignor shall promptly notify the State Treasurer of South Carolina, in the City of Columbia, South Carolina, by registered mail, and the Alternate Payee shall surrender the same to the State Treasurer either in exchange for a new fully registered Bond 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 Bond subject to such condition.

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 Bond, exist, have happened and have been performed, and that the amount of this Bond, together with all other indebtedness of the State of South Carolina, does not exceed any limit prescribed by such Constitution or Statutes.

The full faith, credit and taxing power of the State of South Carolina are hereby pledged for the payment of the principal of and interest on this Bond, and in addition thereto, but subject

to the provisions of the statute law above referred to, all tuition fees at the University of South Carolina.

IN WITNESS WHEREOF, the STATE OF SOUTH CAROLINA has caused this Bond 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 Bond to be dated as of the first day of June, A. D. 1968.

(SEAL)

Governor

State Treasurer

Attest:

Secretary of State

THIS BOND delivered this _____ day of _____, A. D. 1968.

State Treasurer,
State of South Carolina.

FORM OF ASSIGNMENT

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

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Bond 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: _____, 19____.

DATE OF REGISTRATION	NAME OF REGISTERED HOLDER	SIGNATURE OF STATE TREASURER OR HIS DEPUTY
June 1, 1968		

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment 3%	Date Paid	Signature of State Treasurer or his Deputy
:	:	:	:	:	:
Dec. 1, 1968	\$55,000	:	:	:	:
:	:	:	:	:	:
June 1, 1969	:	:	:	:	:
:	:	:	:	:	:
Dec. 1, 1969	\$55,000	:	:	:	:
:	:	:	:	:	:
June 1, 1970	:	:	:	:	:
:	:	:	:	:	:
Dec. 1, 1970	\$55,000	:	:	:	:
:	:	:	:	:	:
June 1, 1971	:	:	:	:	:
:	:	:	:	:	:
Dec. 1, 1971	\$55,000	:	:	:	:
:	:	:	:	:	:
June 1, 1972	:	:	:	:	:
:	:	:	:	:	:
Dec. 1, 1972	\$65,000	:	:	:	:
:	:	:	:	:	:
June 1, 1973	:	:	:	:	:
:	:	:	:	:	:
Dec. 1, 1973	\$65,000	:	:	:	:
:	:	:	:	:	:
June 1, 1974	:	:	:	:	:
:	:	:	:	:	:
Dec. 1, 1974	\$65,000	:	:	:	:
:	:	:	:	:	:
June 1, 1975	:	:	:	:	:
:	:	:	:	:	:
Dec. 1, 1975	\$65,000	:	:	:	:
:	:	:	:	:	:
June 1, 1976	:	:	:	:	:
:	:	:	:	:	:
Dec. 1, 1976	\$75,000	:	:	:	:
:	:	:	:	:	:
June 1, 1977	:	:	:	:	:
:	:	:	:	:	:
Dec. 1, 1977	\$75,000	:	:	:	:
:	:	:	:	:	:
June 1, 1978	:	:	:	:	:
:	:	:	:	:	:
Dec. 1, 1978	\$75,000	:	:	:	:

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment 3%	Date Paid	Signature of State Treasurer or his Deputy
June 1, 1979	:	:	:	:	:
Dec. 1, 1979	: \$75,000	:	:	:	:
June 1, 1980	:	:	:	:	:
Dec. 1, 1980	: \$90,000	:	:	:	:
June 1, 1981	:	:	:	:	:
Dec. 1, 1981	: \$90,000	:	:	:	:
June 1, 1982	:	:	:	:	:
Dec. 1, 1982	: \$90,000	:	:	:	:
June 1, 1983	:	:	:	:	:
Dec. 1, 1983	: \$90,000	:	:	:	:
June 1, 1984	:	:	:	:	:
Dec. 1, 1984	: \$90,000	:	:	:	:
June 1, 1985	:	:	:	:	:
Dec. 1, 1985	: \$90,000	:	:	:	:
June 1, 1986	:	:	:	:	:
Dec. 1, 1986	: \$90,000	:	:	:	:
June 1, 1987	:	:	:	:	:
Dec. 1, 1987	: \$60,000	:	:	:	:

EXHIBIT C

NOTICE OF SALE

\$1,470,000

STATE INSTITUTION BONDS OF THE STATE OF
SOUTH CAROLINA
ISSUED FOR THE UNIVERSITY OF SOUTH CAROLINA
(General Obligations)

SEALED PROPOSALS will be received by the Governor and the State Treasurer of the State of South Carolina, in the Governor's Office, in the State Capitol, in the City of Columbia, South Carolina, on Tuesday, the 23rd day of July, 1968, until 12:00 Noon (EASTERN DAYLIGHT TIME), at which time said proposals will be publicly opened and announced, for the purchase of \$1,470,000 State Institution Bonds of the State of South Carolina, issued for the purpose of financing certain permanent improvements at the University of South Carolina.

The bonds will be dated as of June 1, 1968 and will mature serially on December 1, in annual series or installments, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1968	\$55,000	1978	\$75,000
1969	55,000	1979	75,000
1970	55,000	1980	90,000
1971	55,000	1981	90,000
1972	65,000	1982	90,000
1973	65,000	1983	90,000
1974	65,000	1984	90,000
1975	65,000	1985	90,000
1976	75,000	1986	90,000
1977	75,000	1987	60,000

The bonds will bear interest from their date and such interest will be payable on June 1 and December 1 of each year, beginning December 1, 1968.

The bonds maturing subsequent to December 1, 1972 shall be subject to redemption, at the option of the State, on December 1, 1972 and all subsequent interest payment dates, in whole or in part, but if in part, in inverse numerical order, at par, plus accrued interest to the date of redemption, plus a redemption premium of 2% of the principal amount of each bond redeemed.

Both the principal of and interest on the bonds will be payable in any coin or currency of the United States of America which, at the time of payment, shall be legal tender for the payment of public and private debts.

The bonds will be issued, at the option of the purchaser, either as a single fully registered bond, or as negotiable coupon bonds, in the denomination of \$5,000 each, registrable as to principal or registrable as to both principal and interest. Except with respect to bonds issued in fully registered form, the principal and interest of the bonds, shall be payable at the principal office of State Bank & Trust Company, in the City of Columbia, State of South Carolina, or, at the principal office of Bankers Trust Company, in the City of New York, State of New York.

The bonds are issued pursuant to a Loan Agreement made (with the authorization of the State Budget and Control Board of South Carolina) by the Trustees of the University of South Carolina with the U. S. Commissioner of Education, acting on behalf of the United States Government (the Commissioner), under the terms of which

the Commissioner is obligated to bid for all of the bonds at the rate of three per centum (3%) per annum.

Bidders are invited to name the rate or rates of interest which the bonds are to bear, under the terms and conditions hereinafter set forth, viz.:

(1) Bids of not less than par and accrued interest at an average net interest cost not exceeding three per centum (3%) for the amount of bonds bid, will be considered for consecutive full annual maturities beginning with the first maturity;

(2) Coupon rates shall be designated in multiples of one-eighth or one-tenth of one per cent ($1/8$ or $1/10$ of 1%) with no limit as to number of rates;

(3) All bonds maturing on the same date shall bear the same rate of interest;

(4) No bond shall bear interest at more than one rate, nor shall supplementary coupons be permitted;

(5) The difference between the lowest and highest interest rates named shall not exceed two per cent (2%); and

(6) Any premium offered must be paid in cash as a part of the purchase price.

Except with respect to the bid of the Commissioner, preference in award will be given to bids for the largest principal amount of bonds. If two or more bids are made for the same amount of bonds, preference in award will be given to the bid resulting in the lowest net interest cost. The lowest net interest cost will be determined after excluding the Commissioner's bid by deducting the total amount of any premium bid

from the amount of interest payable from June 1, 1968, until the respective maturity dates of the bonds.

The Commissioner will submit his bid for the bonds and such bid will be for all bonds at their stated principal amount, plus accrued interest, at the rate of three per centum (3%) per annum, on all or any one or more of the full maturities of the bonds.

Each proposal must be submitted in writing, must be enclosed in a sealed envelope and should be addressed to the State Treasurer of South Carolina, Hampton Office Building, Columbia, S. C., and marked on the outside in substance "Proposal for State Institution Bonds." As a condition precedent to the consideration of his proposal, each bidder (with the exception of the Commissioner) must enclose with it a certified or cashier's or treasurer's check drawn upon a bank or trust company, payable to the order of the State Treasurer of the State of South Carolina, for two per cent (2%) of the amount of bonds bid for, as a good faith deposit. The check of the successful bidder will be applied in part payment for the bonds or to secure the State from any loss resulting from the failure of such bidder to comply with the terms of his bid. The good faith deposit will be returned to the successful bidder if the State of South Carolina shall fail to deliver the bonds as provided in this Notice of Sale. No interest will be allowed on the good faith deposit of the successful bidder.

Any bid not conforming to this Notice may be rejected.

The bonds are issued pursuant to the provisions of Chapter 2, Title 22, Code of Laws of South Carolina, 1962, as amended, for the purposes hereinbefore stated.

The State will furnish, without cost to the successful bidder, the printed bonds and the opinions of the Honorable Daniel R. McLeod, Attorney General of the State of South Carolina, and of Messrs. Sinkler, Gibbs & Simons, Attorneys at Law, Charleston, South Carolina, to the effect that (1) the bonds are valid and legally binding obligations of the State of South Carolina, (2) the full faith, credit and taxing power of the State of South Carolina are pledged to the payment of the principal of and interest on said bonds, as they become due and payable, (3) the tuition fees received by the University of South Carolina are pledged, subject to the provisions of the State law above referred to, to the payment of the principal of and interest on the bonds, (4) interest on the bonds is exempt from Federal income taxes under Federal statutes existing on the date of the delivery of the bonds, as then judicially construed, and (5) the bonds and the interest thereon are exempt from all state, county, municipal, school district and all other taxes or assessments imposed thereon within the State of South Carolina, except inheritance, estate or transfer taxes. Upon the delivery of the bonds and payment therefor, the successful bidder shall also be supplied with a certificate signed by the Attorney General of the State, dated as of the

date of delivery, to the effect that there is no litigation pending, or (to the knowledge of the Attorney General) threatened, affecting the validity of the bonds.

The bonds will be delivered in Columbia, South Carolina, within thirty days after the occasion for opening bids.

ROBERT E. McNAIR, Governor

GRADY L. PATTERSON, JR., State Treasurer

Publication Date:

July 9, 1968.

SINKLER, GIBBS & SIMONS
ATTORNEYS & COUNSELLORS AT LAW

TELEPHONE 722-3367
AREA CODE 803

HUGER SINKLER
CHARLES H. GIBBS
ALBERT SIMONS, JR.
THEODORE B. GUERARD
G. DANA SINKLER
THOMAS O. BUIST
RUTH WILLIAMS

2 PRIOLEAU STREET
CHARLESTON, S. C. 29402

July 17, 1968

Honorable P. C. Smith
State Auditor
Hampton Office Building
Columbia, South Carolina

Dear Pat:

Re: \$3,878,000 Plant Improvement Bonds of
University of South Carolina.

I enclose herein the resolution which I would appreciate your presenting to the State Budget and Control Board at its next meeting, in order that it may be adopted prior to the public offering of the above bonds.

While I think the resolution is self-explanatory, I might call your attention to the basic difference between the original resolution which authorized the now outstanding \$580,000 of the original issue of \$620,000 Plant Improvement Bonds dated December 1, 1965, and the so-called Basic Resolution which would henceforth secure the outstanding bonds and other bonds on a parity therewith. Both resolutions impose a special fee and require the University to maintain it at a level to provide debt service. Both require that the amount of the fee be designed to provide as a cushion or reserve a sum equal to the maximum annual principal and interest requirements of all bonds to be outstanding, secured by the fee. However, the original resolution provided that additional bonds could not be issued unless the revenues from the Plant Improvement Fee for the fiscal year preceding the fiscal year in which additional bonds were issued amounted to 130% of the annual average debt service requirements. The new proceedings lower this to 110%. This was done because it was felt that if the larger fee were required, an unfair burden would be placed upon students in attendance during the years when the improvements were being paid for by the retirement of bonds, notwithstanding that the improvements were designed to have a far longer useful life. To overcome this the Basic Resolution provides that no additional bonds can be issued unless the amount of the cushion is equal to

SINKLER, GIBBS & SIMONS

Honorable P. C. Smith
July 17, 1968
Page 2

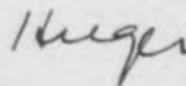
maximum annual principal and interest requirements at the time additional bonds are to be issued. Collections from the fee have amounted to \$905,932.00, which is far in excess of the debt service requirements of the outstanding bonds. As a consequence, at the moment there is a cushion or reserve in excess of \$816,000.

It is my belief that the State Budget and Control Board is really giving up nothing in agreeing to the change, and it is, on the other hand, making possible the financing of needed structures at the University.

If the Budget and Control Board accedes to this proposal, please have the enclosed seven copies certified and returned to me.

With kind regards,

Sincerely yours,



HS:mw
Encs.


P. S.: 1968 legislation covering this subject specifically authorizes this action. Section 4 of Act bearing ratification number R1162 reads as follows:

"All proceedings taken by the Trustees of the University of South Carolina prior to the effective date of this act with respect to further bonds pursuant to Act No. 1157 of 1966 are validated and approved, and any variations contained in such proceedings from those taken in connection with the issuance of the bonds held by the State Budget and Control Board may be agreed to by the board, so that the bonds now held by the board will be on a parity in all respects with all bonds hereafter issued pursuant to Act No. 1157 of 1966."

ORIGINAL RESOLUTION

for

BUDGET AND CONTROL BOARD

 45

A RESOLUTION

ARTICLE I

FINDINGS OF FACT

Section 1.01

As an incident to the adoption of this Resolution the Budget and Control Board of South Carolina (the State Board) makes the following findings:

(1) The State Board, in its capacity as Trustee of the funds of the South Carolina Retirement System, is the owner and holder of all of the now outstanding \$580,000 of an original issue of \$620,000 University of South Carolina Plant Improvement Bonds, Series of 1965, dated as of December 1, 1965 (the Outstanding Bonds).

(2) The Outstanding Bonds were issued by the University of South Carolina (the University) pursuant to Act 1009 of 1962, the authorizations of which were subsequently reenacted and embodied in Act No. 1157 of the Acts of the General Assembly of the State of South Carolina for the year 1966, afterwards amended by Act bearing ratification number R1162, enacted at the 1968 Session of the General Assembly. Such legislative authorizations are hereinafter referred to as "Act 1157".

(3) The Outstanding Bonds (issued in the form of a single fully registered bond and sometimes herein referred to as "The Single Fully Registered Bond") are secured by a pledge of the entire revenues derived or to be derived from a Plant Improvement Fee imposed upon each person in attendance at any regular session of the University and enrolled in any course or class for which credit is given toward any degree offered by the University.

(4) The proceedings authorizing the Outstanding Bonds permitted the issuance of additional bonds to be on a parity with the Outstanding Bonds.

(5) As of February 21, 1968 the Trustees of the University adopted a Resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF PLANT IMPROVEMENT BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO," (the Basic Resolution). The purpose and intent of the Basic Resolution is to provide the security for both the Outstanding Bonds and two series of additional bonds which the Trustees of the University propose to issue pursuant to Act 1157. The Basic Resolution varies in certain particulars the manner by which other bonds on a parity with the Outstanding Bonds may be issued by changing the so-called "earnings test," and by imposing new conditions relating to the cushion or reserve in the "Debt Service Fund" therein created.

(6) The Trustees have now requested that the contract between the University and the State Board be amended so that henceforth the Outstanding Bonds shall be deemed issued pursuant to and secured by the Basic Resolution.

(7) The State Board has reviewed the Basic Resolution and finds that it makes adequate provision for the security of the Outstanding Bonds and the bonds issued or to be issued by the University, pursuant to Act 1157, and therefore, has determined to accede to the request of the Trustees and agree that the Outstanding Bonds shall be deemed issued pursuant to and secured by the Basic Resolution.

ARTICLE II

AGREEMENT

Section 2.01

The State Board agrees that the Outstanding Bonds shall be deemed issued pursuant to and secured by the Basic Resolution.

Section 2.02

As a means of evidencing the agreement herewith made the State Board hereby directs that the State Treasurer of South Carolina shall enter upon The Single Fully Registered Bond an appropriate notation evidencing this action, and authorizes and empowers the State Treasurer to certify to those who may hereafter acquire any other bonds issued by the University pursuant to Act 1157 that such action has been taken and that such additional bonds, when issued in accordance with the terms and conditions of the Basic Resolution, shall be on a parity in all respects with the Outstanding Bonds.

A RESOLUTION

ARTICLE I

FINDINGS OF FACT

Section 1.01

As an incident to the adoption of this Resolution the Budget and Control Board of South Carolina (the State Board) makes the following findings:

(1) The State Board, in its capacity as Trustee of the funds of the South Carolina Retirement System, is the owner and holder of all of the now outstanding \$580,000 of an original issue of \$620,000 University of South Carolina Plant Improvement Bonds, Series of 1965, dated as of December 1, 1965 (the Outstanding Bonds).

(2) The Outstanding Bonds were issued by the University of South Carolina (the University) pursuant to Act 1009 of 1962, the authorizations of which were subsequently reenacted and embodied in Act No. 1157 of the Acts of the General Assembly of the State of South Carolina for the year 1966, afterwards amended by Act bearing ratification number R1162, enacted at the 1968 Session of the General Assembly. Such legislative authorizations are hereinafter referred to as "Act 1157".

(3) The Outstanding Bonds (issued in the form of a single fully registered bond and sometimes herein referred to as "The Single Fully Registered Bond") are secured by a pledge of the entire revenues derived or to be derived from a Plant Improvement Fee imposed upon each person in attendance at any regular session of the University and enrolled in any course or class for which credit is given toward any degree offered by the University.

(4) The proceedings authorizing the Outstanding Bonds permitted the issuance of additional bonds to be on a parity with the Outstanding Bonds.

(5) As of February 21, 1968 the Trustees of the University adopted a Resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF PLANT IMPROVEMENT BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO," (the Basic Resolution). The purpose and intent of the Basic Resolution is to provide the security for both the Outstanding Bonds and two series of additional bonds which the Trustees of the University propose to issue pursuant to Act 1157. The Basic Resolution varies in certain particulars the manner by which other bonds on a parity with the Outstanding Bonds may be issued by changing the so-called "earnings test," and by imposing new conditions relating to the cushion or reserve in the "Debt Service Fund" therein created.

(6) The Trustees have now requested that the contract between the University and the State Board be amended so that henceforth the Outstanding Bonds shall be deemed issued pursuant to and secured by the Basic Resolution.

(7) The State Board has reviewed the Basic Resolution and finds that it makes adequate provision for the security of the Outstanding Bonds and the bonds issued or to be issued by the University, pursuant to Act 1157, and therefore, has determined to accede to the request of the Trustees and agree that the Outstanding Bonds shall be deemed issued pursuant to and secured by the Basic Resolution.

ARTICLE II

AGREEMENT

Section 2.01

The State Board agrees that the Outstanding Bonds shall be deemed issued pursuant to and secured by the Basic Resolution.

Section 2.02

As a means of evidencing the agreement herewith made the State Board hereby directs that the State Treasurer of South Carolina shall enter upon The Single Fully Registered Bond an appropriate notation evidencing this action, and authorizes and empowers the State Treasurer to certify to those who may hereafter acquire any other bonds issued by the University pursuant to Act 1157 that such action has been taken and that such additional bonds, when issued in accordance with the terms and conditions of the Basic Resolution, shall be on a parity in all respects with the Outstanding Bonds.

STATE OF SOUTH CAROLINA,

COUNTY OF RICHLAND.

I, P. C. SMITH, Auditor of the State of South Carolina, and Secretary of the STATE BUDGET AND CONTROL BOARD, DO HEREBY CERTIFY:

That the said State Budget and Control Board is composed of the following:

His Excellency, Robert E. McNair, Governor of South Carolina, and Chairman of the Board;
The Honorable Grady L. Patterson, Jr., State Treasurer;
The Honorable Henry Mills, Comptroller General of South Carolina;
The Honorable Edgar A. Brown, Chairman of the Senate Finance Committee; and
The Honorable R. J. Aycock, Chairman of the House Ways and Means Committee.

That due notice of meeting of said Board, called to be held at the office of the Governor, in the State House, in Columbia, South Carolina, at _____ A. M., _____, the _____ day of _____, 19 68, was given to all members in writing, and at least four days prior to said meeting date; that all members of said Board were present at said meeting, with the exception of:

That at said meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by _____, who moved its adoption; said motion was seconded by _____, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

AGAINST MOTION

The Chairman thereupon declared the Resolution unanimously adopted, and the original thereof has been duly entered in the permanent records of minutes of meetings of said Board, in my custody as its Secretary.

_____, 19 68.

A RESOLUTION

ARTICLE I

FINDINGS OF FACT

Section 1.01

As an incident to the adoption of this Resolution the Budget and Control Board of South Carolina (the State Board) makes the following findings:

(1) The State Board, in its capacity as Trustee of the funds of the South Carolina Retirement System, is the owner and holder of all of the now outstanding \$580,000 of an original issue of \$620,000 University of South Carolina Plant Improvement Bonds, Series of 1965, dated as of December 1, 1965 (the Outstanding Bonds).

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(6) The Trustees have now requested that the contract between the University and the State Board be amended so that henceforth the Outstanding Bonds shall be deemed issued pursuant to and secured by the Basic Resolution.

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ARTICLE II

AGREEMENT

Section 2.01

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FOR MOTION

AGAINST MOTION

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E N D