

AGENDA MATERIALS
AND SUPPORTING DOCUMENTS
FOR THE MEETING OF
OCTOBER 15, 1970

ITEMS FOR BOARD CONSIDERATION

- o -

1. MENTAL RETARDATION - PEE DEE CENTER

Dr. Barnett is anxious to know the Board's reaction to the proposal to initiate construction for the establishment of a new mentally retarded center at Florence.

In his budget presentation it was proposed that \$75,000.00 of available State Funds be allocated to match Federal Funds of \$154,000.00 for construction of the first unit.

If this is approved, architectural working drawings must be completed by about February 15 and the project must be under construction not later than June 30, 1971 to qualify for the Federal allocation.

2. B. W. WALKER - SICK LEAVE CLAIM AGAINST AGRICULTURE DEPARTMENT

Bill
Mr. B. W. Walker has appealed to the Board regarding an alleged claim against the Agriculture Department for sick leave benefits due him upon the termination of his employment in October 1967.

Mr. Walker states that his health at the time was such that he would qualify for sick leave benefits under department regulations in existence at that time. According to his computation he is due pay for an additional 55 days beyond that covered in his terminal pay. The claim has been denied by the Commissioner of Agriculture.

Mr. Walker supports his claim by the fact that the Industrial Commission awarded him approximately \$8,000.00 at the same time.

3. THE CITADEL - ADMINISTRATIVE SALARIES

Bill
On the occasion of the change in presidency of The Citadel on September 1, 1970, certain modifications were made in the administrative structure of the College. These modifications included certain salary adjustments which are now submitted to the Board for approval.

A copy of proposed salaries for the administrative staff is attached, showing comparisons of similar positions with other institutions.

Don
4. DEPARTMENT OF CORRECTIONS -

(a) Residence for Director Leeke - Mr. Leeke now occupies a residence located on the grounds of the Women's Institution on the old Harbison property. Since the department's lease on this property will expire in the near future, the Board of Corrections has proposed to either provide Mr. Leeke with a residence on other State-owned property on Broad River Road or allow him the equivalent in additional compensation.

The Board's reaction to these proposals is requested.

(b) Wateree and Givens Institutions - The Board is requested to approve the use of \$100,000.00 of bond funds available to the Department of Corrections under the 1970 Bond Act for improvements at the Wateree Correctional Institution, for which \$100,000.00 of Federal matching funds are available. An additional \$10,500.00 of bond funds is requested to match a like amount in Federal Funds for improvements at Givens Institution in Greenville County.

Don
5. GENERAL SERVICES - EXTENDED SICK LEAVE FOR ROBERT WHITMORE

Furman McEachern has requested approval to pay extended sick leave benefits for Robert Whitmore, a laborer who has been employed in maintenance work since 1956.

6. UNIVERSITY OF SOUTH CAROLINA -

(a) Salary of Director of Coliseum - The University has recently promoted Mr. Robert B. Horning from the position of Director of University Personnel to a new position of Coliseum Director. The promotion increases his salary from \$15,090.00 to a proposed \$20,000.00 for the job of Coliseum Director. The University further proposes that the promotion and compensation increase be made effective April 1, 1970.

The proposal has been discussed with the Personnel Division and

the proposed salary as Director of the Coliseum appears to be in line. The Board is requested to act on the retroactive proposal.

(b) Increased Compensation for Mr. George Key - The University has proposed to increase the compensation of Mr. George Key from \$10,985.00 to \$12,000.00 effective April 1, 1970, based on a revised grade for his position approved by the Personnel Division in August 1970.

Mr. Key is a Security Officer at the University.

✓ 7. CLEMSON UNIVERSITY - CAMP HARRY DANIEL PROPERTY

PH A number of years ago Camp Harry Daniel property was assigned for use by Clemson University. Clemson University is no longer using this property and State College has requested that it be assigned to them for use by faculty and students of the College. Clemson authorities have endorsed the request of State College.

Camp Harry Daniel is located in Calhoun County.

8. MENTAL HEALTH COMMISSION - PROPERTY SURVEY

The Mental Health Commission has requested Board approval to expend approximately \$20,000.00 of Permanent Improvement funds available to them under their patient fee bond program to obtain a plat of property held by the Commission.

This proposal arises from a request of the General Services Division for information on property owned by the Commission.

Order 9. PERSONNEL DIVISION - POLICIES RELATING TO (a) MATERNITY LEAVE, AND
(b) SHIFT DIFFERENTIAL COMPENSATION

Earl Ellis has developed proposed Board policies relating to the above two subjects which he would like to present and discuss with the Board.

✓ 10. GENERAL FUND OPERATING STATEMENT - 1969-70

In accord with established custom, it is suggested that the Board formally approve the financial statement indicating General Fund operations for 1969-70 and the status of the Fund at the close of the fiscal year.

10/15/90 5:00

P. L. Clinton

Ch: Aycock
Brown

1) Pats Auth

- Re: Piedmont Marketing

- Sub for I Brown as owner-operation

✓ No objection - Call

~~2)~~ 2) St. College

- Don

Gabe Feller Mon.
19th

Attachment -

2,700 CC7

✓

> 3) telecomm Retire. Report

✓ - Mon - Oct. 19

✓ 4) M. Pub - Pub Dec 75,000

✓ 5) Synth. Car - 100,000 Wathur - 10,750 Guern

✓ 6) USC - Patco Publ

(not considered) 7) M/H - Prop. Survey - 20,000 Pub Fds.

~~8) [unclear] [unclear] [unclear]~~

Prod Altman

PRT

(OK)

Re 121,000 Bal Fdr you
Peach album - Hunting
Island
C 385,000
506,000

larger y. inf.

Col Char'ton

(OK)

160,000 Run Brandy
to HVT

(17)

1st Mtg 10/13/70

Camp Stacy Daniels

(aa)

Use terms to St. College

Board 10/7/70

Ind Rev Order

1) Spt 'hang
— Clivite 2,800,000
— Cobble 4,300,000

2) Union
— Source 1,500,000

OK

BO Prod

9/19/90

3

Re Putz Auto

Assign through 6/30/90
to Pinsonault Auto

OK

Surfside 285,000 Bonds
Exceed 7/90

OK

October 16, 1970

Dr. Robert C. Edwards, President, Clemson University
Dr. M. Maceo Nance, Jr., President, State College

Gentlemen:

At a meeting of the Budget and Control Board yesterday approval was given to the proposed transfer of the use of the Camp Harry Daniel property from Clemson University to State College.

It is suggested that the appropriate authorities at each of your institutions confer on any details that may arise in bringing about this transfer.

Very truly yours,

P. C. Smith
State Auditor

PCS:dr

September 17, 1970

Dr. Robert C. Edwards, President
Clemson University
Clemson, South Carolina 29631

Dear Dr. Edwards:

This is to acknowledge your letter regarding Camp Harry Daniels and the suggested transfer of the use of this property from Clemson to State College.

This will be presented for the consideration of the Budget and Control Board at the earliest opportunity during the period of budget hearings, beginning September 29.

Very truly yours,

P. C. Smith
State Auditor

PCS:dr

CLEMSON UNIVERSITY
CLEMSON, SOUTH CAROLINA 29631

OFFICE OF THE PRESIDENT

August 31, 1970

*Ask
McGeehan*

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

Dear Pat:

I would appreciate your submitting the attached memorandum to the State Budget and Control Board at its next meeting.

As indicated in the memorandum, there is an existent agreement between Clemson University and the State Department of Mental Health for the use of a portion of the lands at Camp Harry Daniels for the purpose of conducting a camp for emotionally disturbed children.

The Department of Mental Health this year moved its camp from Harry Daniels to a camp near Walhalla. They have not used Camp Harry Daniels during the year in spite of their right to do so. I am advised by Dr. Raymond E. Ackerman, Deputy Commissioner in the Mental Health Department, that they do not contemplate using the Camp Harry Daniels property in the future. But if it should develop that they would desire to use it for staff training and the property is transferred to the South Carolina State College, they will negotiate directly with the College. Dr. Ackerman stated that their contemplated uses were so uncertain that they would not want any rights which they now have and which expire on December 31, 1970 to interfere with the transfer of use to State College.

If there are any further details desired by the members of the State Budget and Control Board, please advise me.

Sincerely,

Robert C. Edwards
Robert C. Edwards
President

RCE:s
Enc.

752

CLEMSON UNIVERSITY
CLEMSON, SOUTH CAROLINA 29631

OFFICE OF THE PRESIDENT

August 31, 1970

MEMORANDUM TO: The State Budget and Control Board

SUBJECT: Camp Harry Daniels

Property known as Camp Harry Daniels, located in Calhoun County, was initially acquired from private owners by a group of people headed by Mr. E. N. Williams, some or all of whom were connected with the Cooperative Extension Service of the University. The property was acquired primarily for the use of Negro 4-H children. The University invested some funds on permanent improvements on the land until it was advised by the Attorney General's Office that such improvements were improper. In 1959 the title holders, identified as "Trustees," proposed to transfer title to the land either to the State of South Carolina or Clemson University. It was determined that the University did not desire title in its name, and in 1962 the General Assembly authorized the State Budget and Control Board to accept title on behalf of the State of South Carolina, and it was so transferred. Clemson University has at all times subsequent to the acquisition of the land by the State of South Carolina had a right of use. There is no documentary evidence to support this right, but it was based on oral understanding.

Recently Clemson University, with the approval and concurrence of the State Budget and Control Board, granted a right of use of a portion of the land to the State Department of Mental Health on a year-to-year basis, subject to renewal by mutual consent. The property has not been used by Clemson University for 4-H work or otherwise for several years, and has been only a caretaking responsibility of the University. Its further use for University purposes is not contemplated.

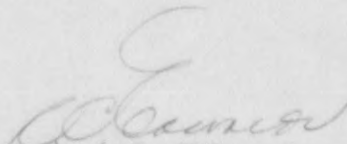
Dr. M. Maceo Nance, Jr., President of South Carolina State College, by letter dated July 10, 1970, a copy of which is attached, indicated a desire for South Carolina State College to acquire jurisdiction and use of this property for South Carolina State College purposes.

By mail ballot and on recommendation of the Administration, the Board of Trustees of Clemson University has approved the relinquishment of its right of use of Camp Harry Daniels.

Accordingly, it is recommended that the State Budget and Control Board issue an order, subject to the existing agreement between Clemson University, the State Budget and Control Board, and the State Department of Mental Health, for a right of use of a portion of the lands by the State Department of Mental Health, as follows:

(1) To terminate Clemson University's right of use, jurisdiction and caretaking responsibilities.

(2) To assign to South Carolina State College the right of use, jurisdiction and caretaking responsibilities under such terms and conditions as are mutually agreed between the State Budget and Control Board and the South Carolina State College, and subject to existent rights of other State agencies.



Robert C. Edwards
President

RCE:s

cc: Dr. M. Maceo Nance, Jr.

President of South Carolina State College



South Carolina State College

ORANGEBURG, S. C. 29115

OFFICE OF THE PRESIDENT

July 10, 1970

Dr. Robert C. Edwards, President
Clemson University
Clemson, South Carolina

Dear Dr. Edwards:

You may recall sometimes last year my having talked with you about Camp Harry Daniels and the possibility of this property coming under the jurisdiction of South Carolina State College. This initial inquiry was precipitated by several inquiries made to me by citizens around the State. Since last year, this interest has grown tremendously, so we are communicating with you hopefully that you might be able to give us some direction and guidance.

First, I would like to state that we would be most interested in coming into possession of this property to develop it into a recreational site for the members of the State College family and its constituents. There has long been a need for this kind of facility. Secondly, I have been informed by citizens around the State that the funds for the initial purchase of this property were raised by young Negro 4-H boys and girls under the guidance of the former designated Negro Farm Agents and Home Demonstration Agents, and we have discovered there is a strong attachment to this accomplishment and even a stronger desire that it continually be utilized so that it might be made available to our youth.

In addition to the state appropriation that was made available for the construction of some of the facilities, their efforts were responsible in contributing to the development of the camp. As you

1 - 755

Dr. Robert C. Edwards
Page 2.

July 10, 1970

know, the camp bears the name of the late Mr. Harry Daniels who had a very close association with South Carolina State College and a member of the South Carolina State College family, and later, Mr. E. N. Williams, who recently retired from the service and still a very active member of our community and an outstanding supporter of our institution of which he is an alumnus.

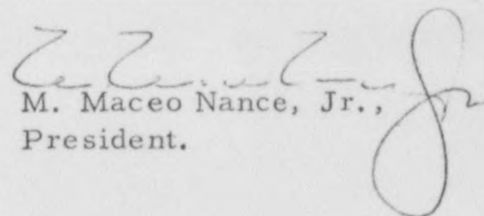
As I have indicated earlier in this communication, there has been a need for such a facility for some years. In addition to this, I am impressed by the interest shown of persons all over the State that we make a very meaningful effort towards acquiring this camp site, so we write this letter in attempting to accomplish this goal.

Respectfully requesting your guidance as to how this could be accomplished.

I am enclosing a Soil Conservation Survey Map outlining the property. It is the only survey that we have available to us, and would appreciate your returning it upon the completion of its usefulness to you.

Your assistance in this matter would be deeply appreciated.

Sincerely yours,


M. Maceo Nance, Jr.,
President.

MMNJr/edh

cc: Dr. James Bond
Mr. E. N. Williams
Mr. I. P. Stanback

Enclosure:

October 16, 1970

Mr. Hal Brunton, Vice President-Business Affairs
University of South Carolina
Columbia, South Carolina 29202

Dear Mr. Brunton:

At a meeting of the Budget and Control Board yesterday approval was given to your proposed increased compensation for Mr. Robert B. Horning, Jr.

It was noted that you requested the increase to be made effective retroactive to April 1, 1970. The Board declined to approve an effective date prior to the beginning of the current fiscal year.

Very truly yours,

P. C. Smith
State Auditor

PCS:dr

757

September 15, 1970

Mr. Hal Brunton, Vice President-Business Affairs
University of South Carolina
Columbia, South Carolina 29208

Dear Hal:

This is with reference to the salary matter of Mr.
Robert B. Horning, Jr.

As I mentioned to you over the telephone the extent
of the increase is such that both Earl and I believe it should
be acted upon directly by the Budget and Control Board

We will advise you as soon as the Board has indicated
its position.

Very truly yours,

P. C. Smith
State Auditor

PCS:dr

Copy to:
Honorable Earl Ellis

STATE OF SOUTH CAROLINA
PERSONNEL DIVISION

F. E. ELLIS
STATE DIRECTOR



TELEPHONE
(803) 758-3334

700 KNOX ABBOTT DRIVE
CAYCE, SOUTH CAROLINA 29033

August 24, 1970

*ack. to HP
CC edir*

The Honorable P. C. Smith
State Auditor
P. O. Box 11333
Columbia, South Carolina 29211

Dear Pat:

In reference to Hal Brunton's letter to you of August 19 concerning the salary for Robert B. Horning, Jr., the following information is provided.

This office approved the establishment for the position of Coliseum Director in salary Grade 25 which has a mid-point of \$20,800. In our discussions with Mr. Brunton about recruiting for this position, it was fully expected and anticipated that he would have to pay in the vicinity of the mid-point for an experienced and qualified director. It may be that Mr. Brunton concluded from such discussions that we had inferred our concurrence with such a salary for Mr. Horning who, at that time, was acting in this capacity.

From a very impersonal standpoint, our guidelines for promotional increases would have permitted an increase of up to 15 per cent with no concern. A request for an increase of up to 20 per cent would have brought it under closer scrutiny and possibly would have been approved in light of the unusual working hours and overtime requirements for the Coliseum Director. However, when the proposal constitutes a percentage of over 26 per cent and involved retroactivity to the date that Mr. Horning was assigned as acting director, we felt that such action exceeded our authority to approve. Consequently, we asked Mr. Brunton to refer this matter to the Board through you.

Enclosed for your information is a copy of our notes of a salary survey conducted in April at the time that we began our deliberation of this job.

Quite frankly, I do not object to the Board's approving this request as to the rate of pay, but feel that I must apply some "brakes" on the University when there seems to be a rash of high percentage and/or retroactive increases being affected.

If I may be of further assistance in this regard, please let me know.

Yours truly,

A handwritten signature in cursive script, appearing to read "F. E. Ellis".

F. E. Ellis
State Director of Personnel

FEE:m1m
Enc.

759

①

4-15-70

COLISEUM SURVEY

1- JACKSONVILLE

Phone no. 904 354-2041

Director JODIE DAYANT

Salary less than \$20,000 (wouldn't give definite figure) with NO profit incentive

Capacity 7828 permanent seats 10,004 temporary & permanent seats Combined

Activity over 200 events since Oct. 1969

TOTAL COMPLEX Civic Auditorium (only Jacksonville U. plays basketball there in addition to Coliseum; part of Peter Paul Complex)

2- GREENSBORO

Phone no. 919 378-1856

DIRECTOR O'SHULTS

SALARY \$17,000 with NO profit incentive

CAPACITY 15,400

TOTAL COMPLEX Coliseum, 2500 seat auditorium and 70,000 sq ft. exhibition center

Activity unknown

3- CHARLOTTE

Phone # 704-372-3600

DIRECTOR PAUL BUCK

SALARY \$23,000 (15-yr experience) (may do promotional work because Coliseum not on city budget)

CAPACITY 10,000

Activity ice skating in addition to regular events

1967	141 events	70	ICE SKATING	DISC
1968	152 "	81	"	"
1969	130 "	79	"	"

TOTAL COMPLEX COLISEUM

4- RALIEGH

(REYNOLDS COLISEUM 919-755-2101

DIRECTOR W. CASEY (DIR. OF ATHLETICS FOR N.C. STATE)

SALARY \$25,000 WITH NO PROFIT INCENTIVE

CAPACITY 11,300 (can go as high as 13,000)

Activity 80-90 events per year

TOTAL COMPLEX Coliseum

(2)

NOFFOLK (SCOPE)

DIRECTOR SKINNER

SALARY \$21,500

CAPACITY NOT COMPLETED AT TIME OF SURVEY

ACTIVITY NONE

TOTAL COMPLEX COLISEUM, auditorium and exhibition center in future

WINSTON SALEM

DIRECTOR TURNER

SALARY 23,000 plus car

CAPACITY 7,500

ACTIVITY UNKNOWN

TOTAL COMPLEX Coliseum with exhibition hall in downtown area



CC: Mr. F. E. Ellis
President T. F. Jones
Mr. M. D. Tavenner

UNIVERSITY OF SOUTH CAROLINA

COLUMBIA, S. C. 29208

DIVISION OF BUSINESS AFFAIRS

August 19, 1970

Mr. Patrick C. Smith
State Auditor
State Budget and Control Board
P. O. Box 11333
Columbia, South Carolina 29211

SUBJECT: Salary Change, Robert B. Horning, Jr.

See J. Coliseum

Dear Mr. Smith:

A few months ago, the University promoted Robert B. Horning from his previous job as Director of University Personnel to the new job of Coliseum Director. We raised his salary from \$15,090 to \$20,000, effective April 1, 1970, under the mistaken belief that this had the approval of the Classification Plan.

The salary of \$20,000 represents the midpoint of Grade 25 which is the classification approved for "Coliseum Director". Current unwritten policies of the Classification System call for salary increases between 15 and 20% to have additional scrutiny and increases over 20% to be referred to the Budget and Control Board. Since the salary we gave Mr. Horning is 26% over the salary he was due to receive*, this matter apparently should have been sent to you for approval.

There is no other job comparable to the Coliseum Director in the State System. For this reason in establishing the salary, we looked at other Coliseums such as Charlotte, Greensboro, Jacksonville, etc. The average salaries paid in these positions are around \$25,000 and in addition often have fringe benefits, such as the ability to promote events personally, etc.

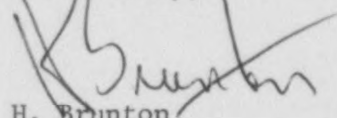
You will recall that several months ago I wrote you regarding the salary problems we had with the Coliseum because of the tremendous overtime necessary when shows were being run. We had suggested (with the concurrence of our Trustees) that we be allowed to have some type of bonus system which would enable the top executive Coliseum employees to share in profits they might produce for the Coliseum. You were concerned about the precedent that might be established by this approach and therefore we reluctantly shelved the idea. The salary of \$20,000 recognizes in part the great amount of overtime that will be required of Mr. Horning.

*Mr. Horning was due for an automatic step increase so his salary would have been \$15,850.

Mr. Patrick C. Smith
August 19, 1970
Page 2

Finally, it should be noted that the one other leading candidate for this job would have required a salary of \$23,000 to \$25,000. This other candidate from Milwaukee had considerable experience in Coliseum work, and comparing the two men, we feel that Mr. Horning deserves the salary of \$20,000. We respectfully request permission to continue paying it.

Yours truly,



H. Brunton
Vice President - Business Affairs

HB/mf

October 16, 1970

Mr. Hal Brunton, Vice President-Business Affairs
University of South Carolina
Columbia, South Carolina 29208

Dear Mr. Brunton:

At a meeting of the Budget and Control Board yesterday approval was given to your proposed increased compensation for Mr. George Key.

It was noted that you requested the increase to be made effective retroactive to April 1, 1970. The Board declined to approve an effective date prior to the beginning of the current fiscal year.

Very truly yours,

P. C. Smith
State Auditor

PCS:dr

September 21, 1970

Mr. H. Brunton, Vice President-Business Affairs
University of South Carolina
Columbia, South Carolina 29208

Dear Mr. Brunton:

The Personnel Office has referred to us your request for approval of increased compensation for George Key retroactive to April 1, 1970.

The Personnel Department has approved the proposed grade increase but do not have authority to approve the retroactive request.

We would appreciate your advising us what peculiar circumstances were considered in proposing to make the increase effective April 1. The Budget and Control Board will act on this request directly.

Very truly yours,

P. C. Smith
State Auditor

PCS:dr

**UNIVERSITY OF SOUTH CAROLINA
PERSONNEL ACTION**

27749

AUG 13 1972

ROUTING
PINK-PERSONNEL
BLUE-PAYROLL
GREEN-EMPLOYEE
WHITE - STATE
WHITE - STATE
YELLOW-DEPT. HEAD

NAME KEY, George SOC. SECURITY # 248-28-9026 STATE RETIREMENT # _____

I-NEW EMPLOYEE (also fill out "TO" column below and "JUSTIFICATION")

☐ New Position OR ☐ As Replacement for _____ (NAME & JOB CODE)
☐ Regular OR ☐ Temporary for _____ (SEMESTER) or _____ (INCLUSIVE DATES)

II-TRANSFER (fill out "FROM" and "TO" columns and "JUSTIFICATION")

☐ New Position OR ☐ As Replacement for _____ (NAME & JOB CODE)
☐ Regular OR ☐ Temporary for _____ (SEMESTER) or _____ (INCLUSIVE DATES)
Vacated position (will) (will not) be filled.

III-SEPARATION (fill out "FROM" column)

☐ Resignation ☐ Retirement ☐ Dismissal ☐ Project Completed ☐ Leave Without Pay
Vacated position (will) (will not) be replaced.

IV-EXTRA COMPENSATION (fill out "TO" column below and "JUSTIFICATION")

ITEM		FROM	TO
RANK OR CLASSIFICATION		8-05-060, Grade 15, Step 6	8-05-060, Grade 17, Step 6 July 7
SALARY		\$ 10,985.00 1,015	\$ 12,000.00 merit
BASIS: 9, 10½, 11 or 12 mos. Full Time or Part Time		12 mos FT 9.2	12 mos FT
HOURLY RATE (Non-Exempt Only)		\$ /Hr.	\$ /Hr.
DEPARTMENT		Maintenance (Security)	Maintenance (Security)
SOURCE OF FUNDS	STATE	\$ 10,985.00 ACCT. # 7000 AM1	\$ 12,000.00 ACCT. # 7000 AM1
		\$ ACCT. #	\$ ACCT. # 7000 AM1
	OTHER	\$ ACCT. #	\$ ACCT. #

EFFECTIVE DATE 4/1/70

JUSTIFICATION Job upgraded by State Personnel. Retroactive to date when job was created.

5-12 8-05-060 10800 6 15 3Q 7.0
7-16 10700
Effective Date 10 10 985 4Q 285 2.7%

Should retirement be deducted? ☐ Yes ☒ No

F.I.S.A. ☐ Yes ☐ No

Budget Control Code _____ Review Date 6/1/72

	NAME	DATE		NAME	DATE
INITIATED BY			FOR FACULTY		
APPROVED			APPROVED (V.P. Acad. Aff.)		
APPROVED (Dean or V.P.)			APPROVED (V.P. Adv. Stu. & Res.)		
			APPROVED (Senior V.P.)		
REVIEWED (Personnel)			FOR NON-FACULTY		
REVIEWED (Budget Dir.)			APPROVED (V.P. Bus. Aff.)		

BUDGET & CONTROL BD. SUBMITTED _____ (DATE)

APPROVED _____ (DATE)

October 16, 1970

Honorable Theodore B. Guerard
Sinkler, Gibbs, Simons & Guerard
2 Prioleau Street
Charleston, South Carolina 29402

RE: \$160,000.00 Student and Faculty Housing
Revenue Bonds, Series A, of The College
of Charleston, South Carolina

Dear Teddy:

At your request we are returning five copies of the resolution, adopted by the Budget and Control Board yesterday, approving the private placement of the above bonds of The College of Charleston with the Department of Housing and Urban Development.

Each copy of the enclosed resolution has a certificate of Board action attached.

Very truly yours,

P. C. Smith
State Auditor

PCS:dr

Enclosures

767

1970-R-1393

SINKLER GIBBS SIMONS & GUERARD, P. A.
ATTORNEYS & COUNSELLORS AT LAW

TELEPHONE 722-3366
AREA CODE 803

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

2 PRIOLEAU STREET

CHARLESTON, S. C. 29402

POST OFFICE BOX 340

THOMAS A. HUTCHESON
ROBERT H. WOOD

September 24th, 1970

Handwritten: OK 10/15/70

Handwritten: (See page 3)
(OK v)

Honorable P. C. Smith
State Auditor
Post Office Box 11333
Columbia, South Carolina 29202

Dear Pat:

In Re: \$160,000 Student and Faculty Housing
Revenue Bonds, Series A, of The College
of Charleston, South Carolina.

At its 1970 Session, the General Assembly authorized the State College Board of Trustees to issue Student and Faculty Housing Revenue Bonds of The College of Charleston in the aggregate principal amount of not exceeding Six Hundred Fifty Thousand Dollars (\$650,000). A portion of these funds were to be used for the purpose of defraying the cost of constructing a third floor addition to Craig Union Hall. The State College Board of Trustees have entered into a loan agreement with the Department of Housing and Urban Development which represents a revision of the loan agreement entered into between the Department of Housing and Urban Development and The College of Charleston prior to its becoming a State institution. Under the terms of the loan agreement, DHUD agrees to buy One Hundred Sixty Thousand Dollars (\$160,000) Student and Faculty Housing Revenue Bonds at an interest rate of 3%. Construction of the third floor addition has now been completed and the Trustees are now proceeding to issue One Hundred Sixty Thousand Dollars (\$160,000) Revenue Bonds pursuant to the loan agreement in order to obtain funds with which to defray the construction cost and to repay the funds advanced for that purpose.

SINKLER GIBBS SIMONS & GUERARD, P. A.

Honorable P. C. Smith

Page 2

September 24th, 1970

Under the terms of the bond legislation the approval of the State Budget and Control Board must be obtained in case of a private sale, and accordingly, we have prepared and now enclose the original and five copies of a suggested Resolution for consideration by the State Budget and Control Board evidencing its approval to the issuance of the captioned bonds. Also, we enclose a copy of the basic bond resolution (patterned after Clemson) and the supplemental resolution providing for the issuance of the captioned bonds. These resolutions will be presented to the State College Board of Trustees at its meeting scheduled for October 2nd, and in the meantime we are forwarding the same for review by the State Budget and Control Board. These resolutions have been reviewed both by DHUD and the College Administration, so I expect that they represent the final draft, but in the event there are any changes, I will advise you promptly.

I also enclose a copy of the loan agreement between the Trustees and DHUD. Although the parties have not yet fulfilled the technicality of actually signing the loan agreement the State Board is proceeding in accordance with its terms.

We will appreciate your bringing this matter to the attention of the State Budget and Control Board.

Very truly yours,

Teddy

TBG:mbd

Encs.

cc: Theodore S. Stern, Esq.
President
The College of Charleston
66 George Street
Charleston, South Carolina 29403

cc: Woodrow W. Grimsley, Esq.
Legal Branch
Department of Housing and Urban Development
645 Peachtree Seventh Building
Atlanta, Georgia 30323

SINKLER GIBBS SIMONS & GUÉRARD, P. A.

Honorable P. C. Smith
Page 3
September 24th, 1970

cc: James A. Rogers, Esq.
Editor
Florence Morning News
Florence, South Carolina 29501

cc: A. A. Lawrence, Esq.
Department of Housing and Urban Development
645 Peachtree Seventh Building
Atlanta, Georgia 30323

P. S. I suggest that it would be better for the State Budget and Control Board to act on this matter following the adoption of the Bond Resolutions by the State College Board of Trustees which will presumably be done at its meeting on October 2nd whereupon I will advise you.

T. B. G.

THE STATE OF SOUTH CAROLINA.

O WHEREAS, the State College Board of Trustees, created
by Act No. 353 of 1969 (the Trustees), are authorized by Act
bearing Ratification No. R-1393 enacted at the 1970 Session of
the South Carolina General Assembly, approved May 1st, 1970 (the
Enabling Act), to issue, inter alia, not exceeding Six Hundred
R Fifty Thousand Dollars (\$650,000) Student and Faculty Housing
Revenue Bonds of The College of Charleston for the purposes set
forth in the Enabling Act including the enlargement of the exist-
I ing dormitory known as Craig Hall; and

G WHEREAS, the Enabling Act further empowers the Trustees
to take such action and enter into such other covenants as may
be required to consummate the financing arrangements referred to
therein, including the execution of loan agreements and modifica-
tions thereof; and

I WHEREAS, the Trustees have entered into a loan agreement
with the Department of Housing and Urban Development (which
represents a modification of a previous loan agreement between
N the governing body of The College of Charleston prior to July 1,
1970 and DHUD) pursuant to which DHUD agrees to purchase One
Hundred Sixty Thousand Dollars (\$160,000) Student and Faculty
A Housing Revenue Bonds of The College of Charleston issued pursuant
to the Enabling Act at an interest rate of 3% per annum in order
to defray the cost of constructing a third floor addition to
L Craig Hall; and

WHEREAS, the Trustees propose to issue and deliver the
bonds called for by the loan agreement without public advertise-
ment and as a consequence the approval of the State Budget and

Control Board must be obtained therefor; and

WHEREAS, the Resolution adopted or to be adopted by the Trustees entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF STUDENT AND FACULTY HOUSING REVENUE BONDS OF THE COLLEGE OF CHARLESTON, AND OTHER MATTERS RELATING THERETO", together with a supplemental Resolution adopted or to be adopted by the Trustees entitled "A RESOLUTION SUPPLEMENTING A RESOLUTION ENTITLED 'A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF STUDENT AND FACULTY HOUSING REVENUE BONDS OF THE COLLEGE OF CHARLESTON, AND OTHER MATTERS RELATING THERETO', ADOPTED BY THE STATE COLLEGE BOARD OF TRUSTEES ON THE _____ DAY OF OCTOBER, A. D. 1970, BY MAKING PROVISION FOR THE ISSUANCE AND SALE OF ONE HUNDRED SIXTY THOUSAND DOLLARS (\$160,000) COLLEGE OF CHARLESTON STUDENT AND FACULTY HOUSING REVENUE BONDS, SERIES A", have been presented to and reviewed by the State Budget and Control Board which is now adopting this Resolution for the purpose of evidencing its approval to the issuance of One Hundred Sixty Thousand Dollars (\$160,000) College of Charleston Student and Faculty Housing Revenue Bonds, Series A, provided for by the said Resolutions.

NOW, THEREFORE, BE IT RESOLVED by the State Budget and Control Board that the issuance by the State College Board of Trustees of One Hundred Sixty Thousand Dollars (\$160,000) College of Charleston Student and Faculty Housing Revenue Bonds, Series A, more fully described hereinabove at a private sale without public advertisement, be and the same hereby is approved and the State College Board of Trustees may proceed in accordance with

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the Resolutions above described, to issue and deliver the said bonds in accordance with the loan agreement between the Trustees and the Department of Housing and Urban Development.

d

E- 773

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COLLEGE HOUSING PROGRAM

REVISED LOAN AGREEMENT

Project No. CH-SC-78(D)
College of Charleston
Charleston, South Carolina
Contract No. H-302-3784

THIS REVISED LOAN AGREEMENT, dated as of August 6, 1970, by and between
THE STATE COLLEGE BOARD OF TRUSTEES
~~THE TRUSTEES OF THE COLLEGE OF CHARLESTON~~

(herein called the "Borrower") and the United States of America (herein called the "Government"), WITNESSETH:

Section 1. Description of Bonds, Security, and Purpose. Subject to the Terms and Conditions (Form HUD-4520), attached hereto and made a part hereof as Exhibit A, and the provisions of this Agreement, the Borrower will sell and the Government acting by and through the Secretary of Housing and Urban Development (herein called the "Secretary"), will purchase the obligations of the Borrower described below (herein called the "Bonds"), or such lesser amount as the Secretary estimates will be required, together with Borrower's funds provided from other sources (estimated to be \$160,000), to pay the development cost of the Project hereinafter described, the proceeds of the sale of such bonds to be used solely for the development of the said Project:

- a. Bond Description: College of Charleston Housing Bonds of 1970.
- b. Date: July 1, 1970.
- c. Principal Amount: \$160,000.
- d. Interest Rate: Three per centum (3%) per annum, payable semiannually on January 1 and July 1 in each year, first interest payable January 1, 1971.
- e. Term of Loan: 40 years.
- f. Loan Security: Special Obligation of the Borrower, secured by and payable from (1) a lien on and pledge of the net revenues derived from the operation of the existing dormitory known as Craig Hall subject to a prior pledge of said revenues for payment of the outstanding College of Charleston

Housing and Dining Hall Bonds of 1961; and (2) a first lien on and pledge of the net revenues derived from the operation of the existing Women's dormitory subject only to a mortgage lien on said building and the mortgagee's rights in the event of a default in the payment of the mortgage.

- g. Maturities: July 1, in years and amounts as follow:

<u>YEAR</u>	<u>AMOUNT</u>
1973-83	\$ 2,000
1984-93	3,000
1994-2001	4,000
2002-05	19,000

- h. Bond Numbers: 1 to 160, inclusive, in order of maturity.

- i. Place and Medium of Payment: Payable as to both principal and interest at the principal office of the bank or trust company named in the Bond Resolution, or at the option of the holder, at a bank or trust company in the Borough of Manhattan, City and State of New York, in any coin or currency which, on the respective dates of payment of such principal and interest, is legal tender for payment of debts due the United States of America.

- j. Registrability: Registrable, at the option of the holder, as to principal only.

- k. Redemption Provisions: Bonds maturing on or before July 1, 1980 shall not be subject to prior redemption. Bonds maturing July 1, 1981 through maturity, inclusive, shall be callable for redemption at the option of the Borrower in whole or in part in inverse numerical order on any interest payment date beginning January 1, 1981, upon at least 30 days prior notice, at the principal amount thereof, plus accrued interest to the date of redemption and a premium for each bond as follows:

3% if redeemed January 1, 1981 through July 1, 1985 inclusive
2½% if redeemed January 1, 1986 through July 1, 1990 inclusive
2% if redeemed January 1, 1991 through July 1, 1995 inclusive
1½% if redeemed January 1, 1996 through July 1, 2000 inclusive
1% if redeemed January 1, 2001 through July 1, 2005 inclusive

Section 2. Preparation of Bond Details. Any bonds to be purchased by the Government shall be prepared in accordance with this Agreement and shall include such details as to date, designation, type, denomination, maturity schedules, place and medium of payment, bond numbers, and redemption provisions as are acceptable to the Secretary.

Section 3. Sale of Bonds. The bonds will be sold by the Borrower at public sale and in the manner and pursuant to the conditions as shall be prescribed by the Secretary. The call for bids will be for consecutive full annual maturities at not less than par and accrued interest covering the first maturity and, as a minimum, all maturities within ten years after the date of the bonds.

The Government will submit its bid which will cover all the bonds and such bid will be for each individual full annual maturity following the date of the bonds at their par value (plus accrued interest, if applicable) at the rate of interest provided above. In the event any other bidder or bidders offer to purchase any of the bonds as advertised, at an average net interest cost of not more than the interest rate specified herein, the bonds or any such portion thereof shall be sold to such bidder or bidders. In the event of a sale of all the bonds to a purchaser or purchasers other than the Government, this Agreement shall terminate except with respect to obligations hereunder between the Borrower and the Government as of the date of such sale of the bonds. In the event any of the bonds are awarded to the Government, it is agreed that the obligations hereunder shall continue in the same manner as if all the bonds were sold to the Government.

In the event no bid is received from a bidder or bidders other than the Government within the terms herein specified, all the bonds shall be sold to the Government. In the event any of the bonds are awarded to the Government: (1) the Borrower shall, when they are ready, deliver all such bonds to the Government at such times as it may designate, and shall, at the option of the purchasers, issue single bonds with face values in the amount of the respective purchases in lieu of individual denomination bonds, registered as to principal and interest and payable as directed by the purchasers; and (2) the bonds awarded to the Government shall mature semiannually in the years designated by the Government in written notification to the Borrower subsequent to the award of bonds with the amount of each semiannual maturity determined by the Government by dividing each annual maturity into as nearly equal parts as practicable in multiples of \$1,000; provided; however, that the Borrower may deliver to the Government bonds maturing annually, prior notification by the Government notwithstanding, if the Borrower shall have previously provided the Government the written opinion of Bond Counsel that annual maturities are required by State law or for maintenance of parity of payment as between bonds.

The Borrower covenants that (1) upon request of the holder of the single bond, it shall issue and deliver at its own expense, at the place specified by the holder of a single bond and within 90 days from the date of such request, negotiable, bearer, coupon bonds in denominations of \$1,000 and/or \$5,000, as designated by the holder of the bond, in aggregate amount equal to the amount of the single bond still outstanding; and (2) upon request of the Government, it will deliver to the Government within 90 days from the date of such request, and at the Borrower's expense, a fully registered bond or negotiable, bearer,

College of Charleston

Project No. CH-SC-78(D)

coupon bonds, respectively, maturing annually, in exchange for a fully registered bond maturing semiannually in whole or in part or negotiable, bearer, coupon bonds maturing semiannually, respectively. The printing of all bonds shall conform to such specifications and standards as the Government may from time to time prescribe.

Section 4. Description of the Project. The Project shall consist of a one-story addition, with necessary appurtenant facilities and additional parking area, to accommodate approximately 32 men students (herein called the "Project").

Section 5. Government Field Expense. The amount of the fixed fee for Government field expense referred to in Section 31 of the attached Form HUD-4520, Terms and Conditions, shall be \$500.

Section 6. Special Conditions. The Government's obligation to purchase the bonds of the Borrower is also subject to the Special Conditions attached hereto and made a part hereof as Exhibit B.

Section 7. The Loan Agreement dated as of December 1, 1969, identified as Contract No. H-302-3784 for Project No. CH-SC-78(D), is accordingly revised.

IN WITNESS WHEREOF, this Agreement has been executed in the name of

~~THE TRUSTEES OF THE COLLEGE OF CHARLESTON~~
THE STATE COLLEGE BOARD OF TRUSTEES

by the undersigned official, and under its official seal, attested by its _____, and in the name and on behalf of the United States of America, Secretary of Housing and Urban Development, by the undersigned official.

~~THE TRUSTEES OF THE COLLEGE OF CHARLESTON~~
THE STATE COLLEGE BOARD OF TRUSTEES

(SEAL)

By _____
(Signature)

ATTEST:

(Print or Type Name and Title)

(Signature)

UNITED STATES OF AMERICA
Secretary of Housing and Urban Development

(Print or Type Name & Title)

By _____
Assistant Regional Administrator
for Housing Assistance *777*

Date _____
(Date of Execution by Government)

EXHIBIT A

HUD-4520 (3-66)
(FORMERLY CFA-520)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TERMS AND CONDITIONS

Constituting Part of the Loan Agreement Providing for the Financing and Construction
of College Housing and Service Facilities Under Title IV of the Housing Act of 1950
(Public Law 475, 81st Congress, as amended)

Section 1. Definitions. As used in these Terms and Conditions:

- "Government" means the United States of America or the Department of Housing and Urban Development.
- "Project" means the structure or structures which the Government has agreed to aid in financing under the Loan Agreement.
- "Loan Agreement" means the contract between the Government and the Borrower covering the Project and includes both these Terms and Conditions and other contract instruments.
- "Borrower" means the educational institution designated in the Loan Agreement.
- "Bonds" mean the obligations which the Government has agreed to purchase under the Loan Agreement.
- "Project Costs" mean the cost of construction work for the Project including fixed equipment, cost of necessary architectural/engineering services, legal, administrative and clerical costs, cost of land acquisition, necessary travel expenses, costs imposed by the Government to reimburse it for its field expenses, interest during construction, and other necessary miscellaneous expenses, all as determined by the Government.

Section 2. Prerequisites to Government's Obligations. The Government shall be under no obligation to advance funds or to purchase any Bonds under the Loan Agreement if:

- Representation.
- (a) ~~Representation.~~ Any representation made by the Borrower to the Government in connection with the application or loan shall be incorrect or incomplete in any material respect, or the Government determines that the Borrower has failed to proceed promptly with Project financing or construction;
- (b) Financial Condition. The financial condition of the Borrower shall have changed unfavorably in a material degree from its condition as theretofore represented to the Government;
- (c) Concurrence by Government. The Borrower, having submitted to the Government the documents mentioned in Section 17 hereof, shall have proceeded without having been advised by the Government that the same are satisfactory; it being the purpose of this provision to insure that no action will be taken in the development of the Project which would result in a legal or contractual violation rendering it impossible for the Government to make the loan hereunder or for the parties to accomplish the objects of the Loan Agreement.

Section 3. Furnishings and Movable Equipment. The Borrower shall, on or before substantial completion of the Project, provide from sources other than the loan hereunder, and from sources and in a manner which will not jeopardize the security of the Bonds, the furnishings and movable equipment necessary to the full enjoyment of the use, occupancy and operation of the Project.

Section 4. Project Site. The Project shall be located on lands of the Borrower, at a site to be approved by the Government.

Section 5. Title Evidence. The Borrower shall furnish the Government satisfactory evidence of its ownership of the Project site.

Section 6. Purchase of Bonds. The Borrower shall initiate and prosecute to completion all proceedings necessary to the authorization, issuance, and sale of the Bonds and to the security thereof. When the said proceedings have been completed to the point of but not including the delivery of the Bonds to the Government, the Borrower may file a requisition requesting the Government to purchase the Bonds. The requisition shall be supported by such data as the Government shall require to determine whether the Government is obligated under the provisions of the applicable Loan Agreement to honor such requisition. If the Government is so obligated, it will purchase the Bonds covered by such requisition, within the limitations, however, specified in the Loan Agreement.

Section 7. Legal Matters. The Borrower shall furnish the Government a transcript of proceedings for the authorization, issuance, sale and security of the Bonds evidencing that the Bonds, when delivered and paid for, will constitute binding and legal obligations, payable and secured in accordance with their tenor, and that all proceedings for the financing and the acquisition, construction and development of the Project preliminary to the delivery of the Bonds to the Government have been had and adopted in due time, form, and manner as required by law.

Section 8. Security. The Borrower shall include in the proceedings for the authorization, issuance, sale, and security of the Bonds, provisions for the payment of the principal of and interest on the Bonds and for the security thereof of the nature required to assure such payment and to safeguard the loan hereunder, including, in case the Bonds are payable in whole or in part from any special sources of revenues, provisions designed to assure the production of such revenues and the application thereof to the extent required for the payment and security of the Bonds and interest thereon, including the maintenance of reasonable reserves.

Section 9. Opinion of Bond Counsel. Simultaneously with the delivery of any of the Bonds to the Government, the Borrower shall furnish to the Government the approving opinion of bond counsel who shall be satisfactory to the Government, and covering generally all of the Bonds and, specifically and unqualifiedly, the Bonds then being delivered to the Government.

Section 10. Construction Financing. The Borrower shall make every effort to obtain interim financing from private sources. Prior to entering into formal agreements for such financing, the Borrower shall furnish the Government with (1) a satisfactory preliminary opinion of bond counsel; (2) evidence of its ability to finance on reasonable terms the cost of the Project up to the time the Bonds are ready for delivery; and (3) evidence of the receipt of firm bids establishing that the Project can be constructed within the approved estimated cost thereof.

In the event any loan under temporary financing should become due prior to the time when the Bonds are ready for delivery, the Borrower may apply to and, provided that the Borrower is in compliance with the Terms and Conditions of this Loan Agreement, receive from the Government an advance against the Bonds in an amount sufficient to liquidate such temporary loan.

Should the Borrower be able to demonstrate to the Government's satisfaction that interim financing on reasonable terms is not available, the Government will consider requests for advances in anticipation of the issuance of the Bonds. Requisitions for construction advances shall be accompanied by such supporting data as the Government may require. The Government will honor such requisitions in amounts and at times deemed by it to be proper.

Any funds made available to the Borrower by the Government pursuant to this Section shall be repaid in full from the first proceeds derived from the sale of the Bonds, and shall bear interest at the rate specified for the Bonds in the Loan Agreement from the date made available to the date of repayment.

Section 11. Prerequisites to Loan Disbursements. Prior to the Government disbursing any portion of the loan proceeds, the Borrower shall present satisfactory evidence that:

- (a) It is able to provide the furnishings and movable equipment required for the operation of the Project, as specified in Section 3 hereof;
- (b) It has deposited in the Construction Account such funds as are necessary with the loan proceeds to assure completion of the Project; and
- (c) It is able to provide the Project site or sites free from all encumbrances.

Section 12. Construction Account. The Borrower shall set up in a bank or banks which are members of the Federal Deposit Insurance Corporation, or with the fiscal agency of the Borrower fixed by law, a separate account or accounts (herein collectively called the "Construction Account") into which shall be deposited any temporary loans, Government advances, and proceeds from the sale of the Bonds (except accrued interest payments), and the additional funds, if any, required by the provisions of the Loan Agreement to be furnished by the Borrower in order to assure the payment of all Project Costs. Moneys in the Construction Account shall be expended only for such purposes as shall have been previously specified in the project cost estimates approved by the Government.

Where the moneys on deposit in the Construction Account exceed the estimated disbursements on account of the Project for the next 90 days, the Borrower may deposit such excess funds in time deposits in banks that are members of the Federal Deposit Insurance Corporation or may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, which shall mature not later than 18 months after the date of such investment and which shall be subject to redemption at any time by the holder thereof. The earnings from any such deposits or investments shall be deposited in the Construction Account by the Borrower.

Any moneys remaining in the Construction Account after all costs of the Project have been paid shall be promptly used to the extent possible for the redemption of

Bonds, and any residue shall be deposited in the Bond and Interest Sinking Fund provided for in the Agreement: Provided, however, the Borrower shall have the right to withdraw any such moneys representing additional funds deposited into the Construction Account pursuant to Section 13 hereof to finance the total project cost, which are found to be unnecessary for such purpose.

Section 13. Payment of Costs—Additional Funds. The Borrower shall pay all Project Costs and furnish from sources other than the proceeds of the loan, and from sources and in a manner which will not jeopardize the security of the Bonds, the additional funds, if any, which will be sufficient to finance the total Project Costs.

Section 14. Patents. The Borrower shall hold and save the Government and its officers, agents, and employees harmless from liability of any nature or kind, including costs and expenses for, or on account of, any patented or unpatented invention, process, article or appliance manufactured or used in connection with construction or operation of the Project.

If the Borrower uses or causes to be used any design, device or materials covered by letters, patent or copyright, it shall provide or cause to be provided for such use by suitable agreement with the owner of such patented or copyrighted design, device, or material. The Borrower, its contractors, and/or sureties shall indemnify and save harmless the Government from any and all claims for infringement by reason of the use of such patented or copyrighted design, device or materials or any trademark or copyright in connection with the construction or operation of the Project and shall indemnify and save harmless the Government for any cost, expense, or damage which it may suffer by reason of such infringement or claim of infringement.

Section 15. Prompt Procedure—Economic Construction. The Borrower covenants and agrees that it will proceed promptly with all matters necessary to the financing and the development of the Project; and that the Project will be undertaken and developed in such a manner that economy will be promoted in such development and in the construction work; and that the Project will not be of elaborate or extravagant design or materials.

Section 16. Approvals and Permits. The Borrower shall obtain all approvals and permits required by law as a condition precedent to the acquisition, construction, development, and operation of the Project.

Section 17. Submission of Proceedings, Contract and Other Documents. The Borrower shall submit to the Government such data, reports, records, and documents relating to the financing, construction, and operation of the Project and financial condition of the Borrower as the Government may require. Approval of the Government must be obtained prior to the assignment of any interest in or part of any contract relating to the Project.

Section 18. Construction by Contract. All work on the Project shall be done under contract and every opportunity shall be given for free, open, and competitive bidding for each and every construction, material, and equipment contract. The Borrower shall give such publicity by advertisements or calls for bids by it for the furnishing to it of work, labor, materials, and equipment as required by applicable law and as will provide adequate competition; and the award of each contract therefor shall be made, after approval by the Government, to the lowest responsible bidder as soon as practicable: Provided, that in the selection of equipment or materials the

Borrower may, in the interest of standardization or ultimate economy, if the advantage of such standardization or such ultimate economy is clearly evident, award a contract to a responsible bidder other than the lowest in price. The Borrower shall obtain the concurrence of the Government before approving subcontracts relating to the Project.

Section 19. Changes in Construction Contract. Any change in a construction contract shall be submitted to the Government for approval. Construction contracts shall include a provision specifying that the above requirement will be met.

Section 20. Contract Security. The Borrower shall require that each construction contractor shall furnish a performance bond in an amount at least equal to 100 percent of his contract price as security for the faithful performance of his contract and also a payment bond in amount not less than 50 percent of his contract price or in a penal sum not less than that prescribed by State, territorial, or local law, as security for the payment of all persons performing labor on the Project under his contract and furnishing materials in connection with his contract. The performance bond and the payment bond may be in one or in separate instruments in accordance with local law.

Section 21. Insurance During Construction. The Borrower shall require that each of its contractors and all subcontractors shall maintain during the life of his contract Workmen's Compensation Insurance, Public Liability, Property Damage, and Vehicle Liability Insurance in amounts and on terms satisfactory to the Government. Until the project is completed and accepted by the Borrower, the Borrower is required to maintain, or to require the contractor to maintain Builder's Risk Insurance (fire and extended coverage) on a 100 percent completed value basis on the insurable portion of the project for the benefit of the Borrower, the prime contractor, and all subcontractors, as their interests may appear.

Section 22. Wage Rates and Work Hours.

(a) Wage Rates. Upon receipt of the list of wage rates determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (Davis-Bacon Act, as amended), the Borrower shall include such list in all contracts calling for work on the Project and require adherence thereto. The Borrower shall also require of each of its contractors that such list shall be posted at appropriate conspicuous points on the site of the Project. Unless otherwise required by law, wage rates need not be listed for non-manual workers, including executive, supervisory, administrative and clerical employees.

If, after the award of the contract, it becomes necessary to employ any person in a trade or occupation not classified in the above list, such person shall be paid at not less than a rate to be determined by the Secretary of Labor. Such approved minimum rate shall be retroactive to the time of the initial employment of such person in such trade or occupation. The contractor shall notify the Borrower of his intention to employ persons in trades or occupations not classified in sufficient time for the Borrower to obtain approved rates for such trades or occupations.

(b) Contract Work Hours. The Borrower shall comply with the provisions of the Contract Work Hours Standards Act (40 U.S.C. 327-332) and the applicable rules and regulations issued by the Secretary of Labor thereunder which are incorporated herein by reference. The Borrower shall cause to be inserted in each contract or subcontract subject to the Work Hours Standards Act the specific provisions required by the above regulations.

(c) Donation of Services. The Government may waive the application of subsections (a) and (b) in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of the project, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Government determines that any amounts saved thereby are fully credited to the Borrower.

Section 23. Payment of Employees. The Borrower shall require of its contractors that all employees engaged in work on the Project be paid in full (less deductions made mandatory by law) not less often than once each week.

Section 24. Wage Underpayments and Adjustments. The Borrower shall require of each of its contractors that, in cases of underpayment of wages by the contractor, the Borrower may withhold from such contractor out of payments due, an amount sufficient to pay workers employed on the work covered by his contract the difference between the wages required to be paid under the contract and the wages actually paid such workers for the total number of hours worked and may disburse such amounts so withheld by it for and on account of the contractor to the respective employees to whom they are due.

Section 25. Copeland Act. The Borrower shall comply with the provisions of the Copeland Act (Anti-Kickback) 48 Stat. 1948, as amended, and the applicable rules and regulations issued by the Secretary of Labor thereunder which are incorporated herein by reference. The Borrower shall cause to be inserted in each contract or subcontract subject to the Copeland Act the specific provisions required by the above regulations in the construction, prosecution, or completion of the Project to comply therewith, and to cause his subcontractors to do likewise.

Section 26. Accident Prevention. The Borrower shall require of its contractors that precaution shall be exercised at all times for the protection of persons (including employees) and property, and that hazardous conditions be guarded against or eliminated.

Section 27. Supervision and Inspection. The Borrower shall provide and maintain on its own behalf competent and adequate architectural or engineering services covering the supervision and inspection of the development and construction of the Project.

Section 28. Nondiscrimination.

a. Civil Rights Act of 1964. The Borrower covenants and agrees that it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352), and with the rules and regulations (24CFR, Subtitle A, Part 1) issued by the Department of Housing and Urban Development pursuant thereto.

b. Equal Opportunity in Housing. The Borrower covenants and agrees that it will comply with the provisions of Executive Order 11063, dated November 20, 1962, and with the requirements issued by the Department of Housing and Urban Development pursuant thereto.

c. Equal Employment Opportunity. The Borrower hereby agrees to incorporate or cause to be incorporated into any contract for construction work or modification thereof, paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant,

contract, loan, insurance or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance or guarantee, the following equal opportunity clause:

"During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.
- (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Department of Housing and Urban Development and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or Federally-assisted construction contracts, in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations,

or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Department of Housing and Urban Development may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Department of Housing and Urban Development, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

The Borrower further agrees that it will be bound by the above equal opportunity clause in any Federally-assisted construction work which it performs itself other than through the permanent work force directly employed by an agency of government.

The Borrower agrees that it will cooperate actively with the Department of Housing and Urban Development and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations and relevant orders of the Secretary of Labor, that it will furnish the Department of Housing and Urban Development and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the Department of Housing and Urban Development in the discharge of the Department's primary responsibility for securing compliance. The Borrower further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and Federally-assisted construction contracts pursuant to Part II, Subpart D, of Executive Order 11246 and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the Department of Housing and Urban Development or the Secretary of Labor pursuant to Part II, Subpart D, of Executive Order 11246. In addition, the Borrower agrees that if it fails or refuses to comply with these undertakings, the Department of Housing and Urban Development may cancel, terminate or suspend in whole or in part this loan, may refrain from extending any further assistance to the Borrower under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from such Borrower, or may refer the case to the Department of Justice for appropriate legal proceedings.

Section 29. Payments to Contractors. Not later than the fifteenth day of each calendar month the Borrower shall make a partial payment to each construction contractor on the basis of a duly certified and approved estimate of the work performed during the preceding calendar month by the particular contractor, but shall retain until final completion and acceptance of all work covered by the particular contract a reasonable amount, specified in the contract, sufficient to insure the proper performance of the contract.

Section 30. Audit and Inspection. The Borrower shall require of its contractors that the Government's authorized representatives be permitted, and it will itself permit them, to inspect all work, materials, payrolls, records of personnel, invoices of materials and other relevant data and records appertaining to the development of the Project; and shall permit the Government's authorized representatives to audit the books, records, and accounts of the Borrower appertaining to the loan and the development of the Project.

Section 31. Government Field Expense. The Government will bill the Borrower for payment of the fee specified in the Loan Agreement to cover audit and inspection costs and payment will be due from the first funds deposited in the Construction Account. In the event of termination of the Loan Agreement through the sale of all of the Bonds to private purchasers, the Borrower shall be entitled to a refund of all or a proportionate part of the fee. The refund shall be in such an amount as the Government determines to be equitable under the circumstances.

Section 32. Signs. The Borrower shall cause to be erected at the site of the Project, and maintained during construction, signs satisfactory to the Government identifying the Project and indicating the fact that the Government is participating in the development of the Project.

Section 33. Retention of Title. So long as the Government holds any of the Bonds, the Borrower shall not dispose of its title to the Project or to any facility the revenues of which are pledged as security for the Bonds, or to any useful part thereof, including any facility necessary to the operation and use thereof, and the lands and interests in lands comprising their sites, except as permitted in the Loan Agreement and the bond authorizing proceedings.

Section 34. Insurance on Completed Project.

(a) Fire and Extended Coverage. Upon acceptance of the Project from the contractor, the Borrower shall, if such insurance is not already in force, procure Fire and Extended Coverage Insurance on the Project and, upon receipt of funds acquired pursuant to the Loan Agreement, the Borrower shall, if such insurance is not already in force, procure Fire and Extended Coverage Insurance on any other of its buildings the revenues of which are pledged to the security of the loan. The foregoing Fire and Extended Coverage Insurance shall be maintained so long as any of the Bonds are outstanding and shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed 80 percent of the full insurable value of the damaged building.

Where a Trustee is to be or has been designated in connection with the Bonds, each such insurance policy shall be acceptable to the Trustee and shall contain a clause making all losses payable to the Trustee as its interest may appear.

In the event of any damage to or destruction of any of said building or buildings, the Borrower shall promptly arrange for the application of the insurance proceeds for the repair or reconstruction of the damaged or destroyed portion thereof, or retire the outstanding bonds.

(b) Boiler Insurance. Upon acceptance of the Project from the contractor, the Borrower shall, if such insurance is not already in force, procure and maintain, so long as any of the Bonds are outstanding, Boiler Insurance covering any steam boilers servicing the Project, in a minimum amount of \$50,000.00.

(c) Liability Insurance. Upon receipt of any funds acquired pursuant to the Loan Agreement, the borrower shall, if such insurance is not already in force, procure and maintain, so long as any of the Bonds are outstanding, Public Liability Insurance with limits of not less than \$100,000 for one person and \$300,000 for more than one person involved in one accident to protect the borrower from claims for bodily injury and/or death which may arise from the borrower's operations, including any use or occupancy of its grounds, structures and vehicles, and including

any nonowned vehicles operated for the benefit of the borrower. The borrower shall also maintain Vehicle Property Damage Insurance with limits of not less than \$10,000.

(d) Use and Occupancy Insurance. Immediately upon occupancy of any portion of the Project and so long thereafter as the funds and investments of the Bond and Interest Sinking Fund Account or Collateral Account, if any (as provided in the Loan Agreement) are less than the maximum debt service reserve required by said provisions of the Loan Agreement, the Borrower shall procure and maintain Use and Occupancy Insurance on each building, the revenues of which are pledged to payment of the Bonds, in an amount sufficient to enable the Borrower to deposit in the Bond and Interest Sinking Fund Account, out of the proceeds of such insurance, an amount equal to the sum that would normally have been available for deposit in such Account from the revenues of the damaged building during the time the damaged building is non-revenue producing as a result of loss of use caused by the perils covered by Fire and Extended Coverage Insurance. Where a Trustee is to be or has been designated in connection with the Bonds, each such insurance policy shall be acceptable to the Trustee and shall contain a loss payable clause making any loss thereunder payable to the Trustee as its interest may appear.

Section 35. Parietal Rules. The Borrower shall establish and maintain so long as any of the Bonds are outstanding, such parietal rules, rental rates and charges for the use of the Project facilities and such other facilities the revenues of which are pledged to the payment of the Bonds as may be necessary to (1) assure maximum occupancy and use of said facilities and (2) provide together with any other funds herein pledged to payment of the Bonds (a) the operating and maintenance expenses of said facilities, (b) the debt service on the Bonds, (c) the required reserve therefor, and (d) the Repair and Replacement Reserve where such reserves are required.

Section 36. Proper Records and Books. The Borrower covenants that it will keep accurate financial records and proper books relating to the Project, other facilities the revenues of which are pledged to secure the Bonds, and other pledged revenue sources, and such records and books shall be open to inspection by the Bondholders and their agents and representatives. The Borrower further covenants that not later than 90 days after the close of each fiscal year it will furnish to the Trustee and to any Bondholder who shall request same in writing, copies of audit reports prepared by an independent public accountant, or where appropriate, by the State auditing official, reflecting in reasonable detail the financial condition and record of operation of the Borrower, the Project, other pledged facilities, and other pledged revenue sources, including particularly the Borrower's enrollment, the occupancy or degree of use of and rates charged for the use of, and the insurance on, the Project and any other facilities the revenues of which are pledged in the Loan Agreement, and the status of the several accounts and funds required by the Loan Agreement.

Section 37. Investment of Funds. Moneys on deposit to the credit of the Bond and Interest Sinking Fund Account and/or the Repair and Replacement Reserve Account shall, upon request by the Borrower, be invested by the Trustee or other designated depository, in direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States Government. Where the Borrower is required to maintain fixed amounts in such accounts, the investments of such funds shall be valued in terms of current market value as of June 30 and December 31 of each year.

Section 38. Bond Redemption. So long as the Government holds any of the Bonds, it will waive the non-callable provisions, redemption premiums, and publication of notice of call applicable thereto.

Section 39. Interest of Third Parties. The Loan Agreement is not for the benefit of third parties, including the holders from time to time of any of the Bonds, and the Government shall be under no obligation to any such parties, whether or not indirectly interested in said Agreement, to pay any charges or expenses incident to compliance by the Borrower with any of its duties or obligations thereunder.

Section 40. Interest of Members of or Delegates to Congress. No member of or delegate to the Congress of the United States shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.

Section 41. Bonus or Commission. By execution of the Loan Agreement the Borrower represents that it has not paid and, also, agrees not to pay, any bonus, commission, or fee for the purpose of obtaining an approval of its application for the loan hereunder.

Section 42. Termination Rights. Prior to disbursement of any Government loan moneys under the Loan Agreement, the Borrower shall have the right to terminate such Agreement effective thirty days after giving notice of termination to the Government, and upon reimbursement by Borrower of any Government field expenses which have been incurred.

The Government shall have the right to terminate the Loan Agreement, effective upon thirty days notice thereof to the Borrower, whenever the Government determines that the Borrower has failed to proceed promptly with the construction and financing of the project.

Section 43. State or Territorial Law. Anything in the Loan Agreement to the contrary notwithstanding, nothing in the Loan Agreement shall require the Borrower to observe or enforce compliance with any provision thereof, perform any other act or do any other thing in contravention of any applicable State or territorial law: Provided, That if any of the provisions of the Loan Agreement violate any applicable State or territorial law, or if compliance with the provisions of the Loan Agreement would require the Borrower to violate any applicable State or territorial law, the Borrower will at once notify the Government in writing in order that appropriate changes and modifications may be made by the Government and the Borrower to the end that the Borrower may proceed as soon as possible with the construction of the Project.

EXHIBIT B

SPECIAL CONDITIONS:

- (a) The Borrower covenants and agrees, immediately upon the sale and delivery of any of the Bonds, to establish with the depository named in the Bond Resolution, and maintain so long as any of the Bonds are outstanding, a separate account to be known as the "College of Charleston Housing Bonds of 1970 Bond and Interest Sinking Fund Account," to be used exclusively for the purpose of paying the principal of and interest on the Bonds. The Borrower shall deposit into said account, from revenues pledged for payment of the bonds, on or before each June 15 and December 15, an amount sufficient to pay the interest on the Bonds on the next interest payment date. Provided, however, beginning December 15, 1972 and thereafter, the Borrower shall deposit into the Sinking Fund Account, on or before each June 15 and December 15, the sum of at least \$4,000 until the funds and/or investments therein are sufficient to meet the interest due on the outstanding bonds on the next interest payment date and one-half of the principal due within the next succeeding twelve months, plus a Debt Service Reserve in the amount of \$8,000 and thereafter, on or before each June 15 and December 15, such sums from the pledged revenues as may be necessary to meet the interest due on the Bonds on the next interest payment date and one-half of the principal due within the next succeeding twelve months and maintain the Debt Service Reserve in the amount of \$8,000.
- (b) The Borrower covenants and agrees that so long as any of the proposed Bonds are outstanding it will maintain and collect dormitory rentals in an amount sufficient to pay debt service and operation and maintenance costs.
- (c) In the event the Government is the successful bidder for the Bonds, the purchase price shall be the par value of the Bonds with interest beginning on the date of delivery and purchase at the rate specified in the Bonds, and an appropriate entry indicating interest accruing from and including the date of delivery shall be entered upon the payment record accompanying the Bonds.
- (d) Notwithstanding the provisions of Section 3 of the Loan Agreement, the Borrower shall be under no obligation to offer the Bonds at public sale unless requested to do so by the Government.
- (e) In the Terms and Conditions (Exhibit A), Section 28, Nondiscrimination, Subsection (c), Equal Employment Opportunity, pursuant to Executive Order 11375, dated October 13, 1967, include in any contract for construction work or modification thereof executed on or after October 13, 1968, the words "race, color, religion, sex, or national origin" in substitution for the words, "race, creed, color, or national origin" wherever they appear.

A RESOLUTION

SUPPLEMENTING A RESOLUTION ENTITLED "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF STUDENT AND FACULTY HOUSING REVENUE BONDS OF THE COLLEGE OF CHARLESTON, AND OTHER MATTERS RELATING THERETO," ADOPTED BY THE STATE COLLEGE BOARD OF TRUSTEES ON THE ____ DAY OF SEPTEMBER, A. D. 1970, BY MAKING PROVISION FOR THE ISSUANCE AND SALE OF ONE HUNDRED SIXTY THOUSAND DOLLARS (\$160,000) COLLEGE OF CHARLESTON STUDENT AND FACULTY HOUSING REVENUE BONDS, SERIES A.

BE IT RESOLVED BY THE STATE COLLEGE BOARD OF TRUSTEES
IN MEETING DULY ASSEMBLED:

ARTICLE I

DEFINITIONS

Section 1.01

Certain terms used in this Supplemental Resolution are defined terms with definitions set forth in Article II of a Resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF STUDENT AND FACULTY HOUSING REVENUE BONDS OF THE COLLEGE OF CHARLESTON, AND OTHER MATTERS RELATING THERETO," adopted by the State College Board of Trustees on the ____ day of September, 1970, and whenever such terms are used, they shall have the meanings given to them in said Article II.

ARTICLE II

FINDINGS OF FACT

Section 2.01

It is found as follows:

(1) Heretofore, under date of September ____, 1970, the TRUSTEES adopted the RESOLUTION OF 1970 as a means of providing for the issuance of certain BONDS and ADDITIONAL BONDS.

(2) In and by the RESOLUTION OF 1970 it is expressly provided that BONDS (and ADDITIONAL BONDS) shall be issued pursuant to a resolution expressed to be supplementary to the

(3) No BONDS or ADDITIONAL BONDS have been issued pursuant to the RESOLUTION OF 1970.

(4) The TRUSTEES have now determined to make provision for the issuance of ONE HUNDRED SIXTY THOUSAND DOLLARS (\$160,000) of BONDS in accordance with the revised Loan Agreement between the TRUSTEES and the Department of Housing and Urban Development, the proceeds of which will be used, together with funds provided by the COLLEGE from other sources, to pay the cost of constructing the third floor addition to the Craig Hall and Student Union Building, which addition has been recently completed.

(5) In accordance with the provisions of the ENABLING ACT the approval of the State Budget and Control Board of South Carolina has been obtained to the issuance of the BONDS as hereinafter provided.

(6) On the basis of the foregoing, the TRUSTEES adopt this Resolution to supplement the RESOLUTION OF 1970 and to make provision for the issuance of ONE HUNDRED SIXTY THOUSAND DOLLARS (\$160,000) STUDENT AND FACULTY HOUSING REVENUE BONDS, SERIES A, of THE COLLEGE OF CHARLESTON.

ARTICLE III

ISSUANCE OF BONDS

Section 3.01

Pursuant to the ENABLING ACT and the RESOLUTION OF 1970, and in order to provide funds to defray the cost of constructing the third floor addition to the Craig Hall and Student Union Building, there shall be issued ONE HUNDRED SIXTY THOUSAND DOLLARS (\$160,000) STUDENT AND FACULTY HOUSING REVENUE BONDS, SERIES A,

of THE COLLEGE OF CHARLESTON.

Section 3.02

The BONDS shall be initially issued in the form of a single fully registered bond, in the form set forth in EXHIBIT A attached hereto and shall be dated July 1, 1970.

Section 3.03

The BONDS shall bear interest at the rate of three per centum (3%) per annum, payable from the date of their delivery on the 1st days of January and July of each year thereafter.

Section 3.04

Both principal and interest of the BONDS shall be payable at the principal office of _____, in the City of Charleston, South Carolina, or, at the option of the holder, at the principal office of _____, in the Borough of Manhattan, City and State of New York, which are hereby collectively designated as the PAYING AGENT for the BONDS; provided that so long as the United States of America, Secretary of Housing and Urban Development, or his successor, is the registered owner of the BOND, principal and interest shall be payable at the Federal Reserve Bank of Richmond, Richmond, Virginia, or such other Fiscal Agent as the United States of America shall designate.

Section 3.05

The BONDS shall mature on the 1st days of July in the years and amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1973	\$ 2,000	1990	\$ 3,000
1974	2,000	1991	3,000
1975	2,000	1992	3,000
1976	2,000	1993	3,000
1977	2,000	1994	4,000
1978	2,000	1995	4,000
1979	2,000	1996	4,000
1980	2,000	1997	4,000
1981	2,000	1998	4,000
1982	2,000	1999	4,000
1983	2,000	2000	4,000
1984	3,000	2001	4,000
1985	3,000	2002	19,000
1986	3,000	2003	19,000
1987	3,000	2004	19,000
1988	3,000	2005	19,000
1989	3,000		

Section 3.06

BONDS maturing on or before July 1, 1980 shall not be subject to prior redemption. BONDS maturing July 1, 1981 through maturity, inclusive, shall be callable for redemption at the option of the TRUSTEES in whole or in part in inverse numerical order on any interest payment date, beginning January 1, 1981, upon at least 30 days prior notice, at the principal amount thereof, plus accrued interest to the date of redemption and a premium for each bond as follows:

3% if redeemed January 1, 1981 through July 1, 1985, inclusive;

2½% if redeemed January 1, 1986 through July 1, 1990, inclusive;

2% if redeemed January 1, 1991 through July 1, 1995, inclusive;

1½% if redeemed January 1, 1996 through July 1, 2000, inclusive; and

1% if redeemed January 1, 2001 through July 1, 2005, inclusive.

Section 3.07

The BONDS when outstanding in fully registered form shall be exchangeable at the sole expense of the COLLEGE at any time upon ninety days' written notice, directed to the COLLEGE by the then registered owner thereof, and upon surrender of such fully registered bond to the TRUSTEES, at the office of the CORPORATE TRUSTEE, in the City of Charleston, South Carolina, the TRUSTEES shall be obligated to deliver to such owner negotiable coupon bonds payable to bearer and registrable as to principal only, of the denomination of \$1,000 each, in the aggregate principal amount equal to the unpaid principal amount of the registered bond so delivered, and in the form of the Registered Bond, with such changes as may be required in order to provide for a fully negotiable coupon bond payable to bearer and with detachable coupons to evidence the interest to become due thereon. The BONDS, if hereafter issued in coupon form, shall be payable, both principal and interest, at the principal office of the CORPORATE TRUSTEE hereinafter named, in the City of Charleston, South Carolina, or, at the option of the holder, at the principal office of _____, in the Borough of Manhattan, City and State of New York.

ARTICLE IV

APPOINTMENT OF CORPORATE TRUSTEE

Section 4.01

Pursuant to the provisions of Section 11.01 of the RESOLUTION OF 1970, requiring that a corporate trustee be appointed prior to the delivery of any BONDS, _____, in the City of Charleston, South

Carolina, is hereby designated as CORPORATE TRUSTEE, and if such designation be accepted, the said CORPORATE TRUSTEE shall signify its acceptance in the manner prescribed by Section 11.04 of the RESOLUTION OF 1970.

ARTICLE V

DISPOSITION OF PROCEEDS

Section 5.01

The proceeds derived from the sale of the BONDS shall be received by the TRUSTEES and applied to the payment of the costs of issuing the BONDS and to the payment of costs incurred in constructing the third floor addition to the Craig Hall and Student Union Building, including the repayment of any funds advanced or loans incurred by or on behalf of the COLLEGE for such purposes.

ARTICLE VI

MISCELLANEOUS

Section 6.01

This resolution is expressly declared to be supplementary to the RESOLUTION OF 1970 and the BONDS are declared to be the BONDS authorized by the RESOLUTION OF 1970.

Section 6.02

This resolution has been prepared and is being executed in several counterparts, each of which is an original and all of which are identical. Each counterpart so executed shall be deemed an original of this resolution and all counterparts thereof are to be deemed but one instrument. It shall take effect immediately.

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DONE IN MEETING DULY ASSEMBLED this _____ day of

_____, A. D. 1970.

(SEAL)

Chairman of the State College Board
of Trustees

Attest:

Secretary of the State College
Board of Trustees

"EXHIBIT A"

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
THE COLLEGE OF CHARLESTON
STUDENT AND FACULTY HOUSING REVENUE BOND, SERIES A

NO. R-1

\$ 160,000

THE STATE COLLEGE BOARD OF TRUSTEES (herein called the Trustees), a body politic and corporate and the governing body of the College of Charleston, a State owned institution of higher learning located in Charleston, South Carolina (the College), for value received, hereby promises to pay to the United States of America, Secretary of Housing and Urban Development, or his successor, (herein sometimes called the Government) or its registered assigns, the principal sum of ONE HUNDRED SIXTY THOUSAND DOLLARS (\$160,000), on the first day of July, in years and installments as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1973	\$ 2,000	1990	\$ 3,000
1974	2,000	1991	3,000
1975	2,000	1992	3,000
1976	2,000	1993	3,000
1977	2,000	1994	4,000
1978	2,000	1995	4,000
1979	2,000	1996	4,000
1980	2,000	1997	4,000
1981	2,000	1998	4,000
1982	2,000	1999	4,000
1983	2,000	2000	4,000
1984	3,000	2001	4,000
1985	3,000	2002	19,000
1986	3,000	2003	19,000
1987	3,000	2004	19,000
1988	3,000	2005	19,000
1989	3,000		

2.

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 public and private debts, and to pay interest on the balance of said principal sum from time to time remaining unpaid, from the date of the delivery of this Bond (as established by the certification endorsed hereon), in like coin or currency, at the rate of three per centum (3%) per annum, payable on the first days of January and July of each year thereafter, until the principal amount hereof has been paid. During the time the Government is a 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 Government shall designate (herein called the Fiscal Agent). During such time as any registered assign (other than the Government) is the registered owner hereof such payment shall be made at the principal office of _____,

in the City of Charleston, State of South Carolina (the Corporate Trustee), or at the option of such registered owner, at the principal office of _____,

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 if payment is made at the office of the Fiscal Agent or Alternate Paying Agent, written notice of the making of such notations shall be promptly sent to the Trustees at the office of the Corporate Trustee, and such payment shall fully discharge the obligation of the Trustees hereon, to the

extent of the payments so made. Upon final payment of principal and interest, this Bond shall be submitted to the Corporate Trustee for cancellation and surrender to the Trustees.

This Bond, designated as "College of Charleston Student and Faculty Housing Revenue Bond, Series A", limited to an aggregate principal amount of One Hundred Sixty Thousand Dollars (\$160,000), is issued pursuant to resolutions (herein called the Bond Resolution) duly adopted by the Trustees, and under and in full compliance with the Constitution and Statutes of the State of South Carolina, including particularly Act No. _____ of the Acts of the General Assembly of the State of South Carolina enacted at its 1970 Session entitled "AN ACT TO AUTHORIZE THE STATE COLLEGE BOARD OF TRUSTEES AS THE GOVERNING BODY OF THE COLLEGE OF CHARLESTON TO ISSUE NOT EXCEEDING SIX HUNDRED FIFTY THOUSAND DOLLARS STUDENT AND FACULTY HOUSING REVENUE BONDS, AND NOT EXCEEDING ONE MILLION TWO HUNDRED THOUSAND DOLLARS PLANT IMPROVEMENT BONDS, TO PROVIDE FOR THE USE OF THE PROCEEDS AND TO PROVIDE FOR THE PAYMENT OF SUCH BONDS; AND TO AUTHORIZE THE BOARD TO CONSUMMATE CERTAIN FINANCING ARRANGEMENTS AND TO UTILIZE AVAILABLE ENDOWMENTS TO ESTABLISH RESERVE FUNDS," approved the 1st day of May, 1970 (herein called the Enabling Statute), to obtain funds to defray the cost of constructing a third floor to the Craig Hall and Student Union Building at the College.

As provided in the Bond Resolution, this Bond is exchangeable at the sole expense of the Trustees, at any time upon ninety days' notice, at the request of the registered owner hereof, and upon surrender of this Bond to the Trustees at the principal office of the Corporate Trustee, in the City of Charleston,

South Carolina, for negotiable coupon bonds, payable to bearer, registrable as to principal only, of the denomination of \$1,000 each, in the aggregate principal amount equal to the unpaid principal amount of this Bond, and in the form of such coupon bond as provided for in the Bond Resolution.

In addition to the installments of principal required to be paid by the Trustees as hereinabove set forth, the Trustees shall have the right to prepay on any interest payment date, beginning January 1, 1981, 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 \$1,000, at the following prices (expressed in terms of a percentage of the principal amount of such prepayment) plus accrued interest to the date of prepayment:

103% if redeemed January 1, 1981 through July 1, 1985, inclusive;

102½% if redeemed January 1, 1986 through July 1, 1990, inclusive;

102% if redeemed January 1, 1991 through July 1, 1995, inclusive;

101½% if redeemed January 1, 1996 through July 1, 2000, inclusive; and

101% if redeemed January 1, 2001 through July 1, 2005, inclusive.

Notice of any such optional prepayment shall be given not less than thirty days nor more than sixty days prior to the prepayment date by mailing to the registered owner of this Bond a notice fixing such prepayment date and the amount of principal to be prepaid.

This Bond may be assigned and upon such assignment the assignor shall promptly notify the Trustees at the principal office of the Corporate Trustee, in the City of Charleston, South Carolina, by registered mail, and the assignee shall surrender the same to the Corporate Trustee either in exchange for a new fully registered bond or for transfer on the registration records and for verification of the endorsements made on the Payment Record attached hereto, of the portion of the principal amount hereof and the interest hereon paid or prepaid, and every such assignee shall take this Bond subject to such condition.

Both the principal of and interest on this Bond are payable from the entire revenues derived by the College from all student and faculty housing facilities now or hereafter located on the campus at Charleston, South Carolina, as the same are defined in the Bond Resolution, and, to the extent prescribed by the Bond Resolution, such revenues are irrevocably pledged to the payment of the principal of and interest on this Bond. Neither the faith and credit of the State of South Carolina, nor of the Trustees is pledged to the payment of either the principal of or interest on this Bond, nor shall any member of the Trustees, or any other person signing this Bond, be personally liable hereon.

It is expressly understood and agreed that this Bond and the lien on, and the pledge of, revenues securing the same are junior and subordinate to the rights of the holders of the outstanding \$303,000 of an original issue of \$340,000 College of Charleston Housing and Dining Hall Bonds of 1961, dated as of July 1, 1961, and to the rights of the holder of a mortgage note

with an outstanding principal balance of \$167,000 secured by a mortgage on the Women's Dormitory which provides for the appointment, in the event of a default thereunder, of a receiver to apply the rentals derived from the Women's Dormitory to the mortgage debt.

The Bond Resolution permits the issuance of additional bonds by the Trustees, payable from the revenues pledged to the payment of this Bond, and such bonds, if issued in accordance with the provisions of the Bond Resolution, shall rank equally and be on a parity with this Bond.

The Trustees hereby agree that they will operate and maintain the student and faculty housing facilities, from whose revenues the principal of and interest on this bond are payable, in efficient and economical manner, and that they will fix and maintain such rentals and charges for such facilities as shall at all times be sufficient to pay the interest on and the principal of this Bond, as and when the same become due and payable, and to enable the College to discharge all obligations assumed in its behalf in the Bond Resolution.

Under authority of the Enabling Statute, and by the Bond Resolution, there has been created and granted to and in favor of the holder or holders of this Bond, a statutory lien, which is hereby recognized as valid and binding on the student and faculty housing facilities from whose revenues the principal of and interest on this Bond are payable, and such facilities

shall remain subject to said statutory lien to the extent provided by the Bond Resolution until the payment in full of the interest on and principal of this Bond. Upon the happening of any event of default, as defined in the Bond Resolution, the principal of this Bond may become or may be declared forthwith due and payable in the manner and with the effect provided for in the Bond Resolution.

THIS BOND and the interest hereon are exempt from all State, County, Municipal, School District, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and Laws of the State of South Carolina to exist, to happen, and to be performed precedent to or in the issuance of this bond, exist, have happened and have been done and performed in regular and due time, form and manner, and that the amount of this Bond does not exceed any Constitutional or Statutory limitation thereon.

IN WITNESS WHEREOF, THE STATE COLLEGE BOARD OF TRUSTEES, as the governing body of the College of Charleston, has caused this Bond to be signed by its Chairman and by the President of the College of Charleston, under the Seal of the College of Charleston,

8.

attested by its Secretary, and this Bond to be dated the 1st day
of July, A. D. 1970.

STATE COLLEGE BOARD OF TRUSTEES, as the
Governing Body of the College of
Charleston

(SEAL)

BY _____
Chairman of the State College Board
of Trustees

BY _____
President of the College of Charleston

Attest:

Secretary of the State College
Board of Trustees

CERTIFICATE OF CORPORATE TRUSTEE

This Bond is the single fully registered installment
bond described in the within mentioned Bond Resolution.

_____ Trustee

By _____
Authorized Officer

CERTIFICATE OF DELIVERY

This Bond was delivered on the _____ day of _____,
A. D. 1970., and interest hereon accrues from this date.

Secretary of the State College Board
of Trustees

FORM OF ASSIGNMENT

For value received, the undersigned hereby sells,
assigns and transfers unto _____
the within Bond and all rights thereunder, hereby irrevocably
constituting and appointing _____
attorney to transfer said Bond on the books of The College of
Charleston, kept by the Paying Agent, with full power of substi-
tution in the premises.

Dated:

_____, 19____

Witness:

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment 3%	Date Paid	Name of Paying Agent, Authorized Official and Title
July 1, 1973:	\$ 2,000	:	:	:	:
July 1, 1974:	2,000	:	:	:	:
July 1, 1975:	2,000	:	:	:	:
July 1, 1976:	2,000	:	:	:	:
July 1, 1977:	2,000	:	:	:	:
July 1, 1978:	2,000	:	:	:	:
July 1, 1979:	2,000	:	:	:	:
July 1, 1980:	2,000	:	:	:	:
July 1, 1981:	2,000	:	:	:	:
July 1, 1982:	2,000	:	:	:	:
July 1, 1983:	2,000	:	:	:	:
July 1, 1984:	3,000	:	:	:	:
July 1, 1985:	3,000	:	:	:	:
July 1, 1986:	3,000	:	:	:	:
July 1, 1987:	3,000	:	:	:	:
July 1, 1988:	3,000	:	:	:	:
July 1, 1989:	3,000	:	:	:	:
July 1, 1990:	3,000	:	:	:	:
July 1, 1991:	3,000	:	:	:	:
July 1, 1992:	3,000	:	:	:	:
July 1, 1993:	3,000	:	:	:	:
July 1, 1994:	4,000	:	:	:	:
July 1, 1995:	4,000	:	:	:	:
July 1, 1996:	4,000	:	:	:	:
July 1, 1997:	4,000	:	:	:	:
July 1, 1998:	4,000	:	:	:	:
July 1, 1999:	4,000	:	:	:	:

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment 3%	Date Paid	Signature of State Treasurer or his Deputy
July 1, 2000	: \$ 4,000	:	:	:	:
July 1, 2001	: 4,000	:	:	:	:
July 1, 2002	: 19,000	:	:	:	:
July 1, 2003	: 19,000	:	:	:	:
July 1, 2004	: 19,000	:	:	:	:
July 1, 2005	: 19,000	:	:	:	:

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

I, _____, the duly elected, acting and
qualified Secretary of the State College Board of Trustees, DO
HEREBY CERTIFY:

That the foregoing Resolution is a true, correct, full
and verbatim copy of the original of a Resolution adopted by said
State College Board of Trustees at a meeting duly called and
regularly held on _____, 1970, at which were
present: _____

all
constituting a majority of the members of said Board of Trustees.

That the original of said Resolution has been filed in
the permanent records of minutes of meetings of said State College
Board of Trustees in my custody as such Secretary.

WITNESS my Hand and the Seal of the State College Board
of Trustees, this _____ day of _____, A. D. 1970.

(SEAL)

Secretary of the State College Board
of Trustees

A RESOLUTION

PROVIDING FOR THE ISSUANCE AND SALE OF
STUDENT AND FACULTY HOUSING REVENUE BONDS
OF THE COLLEGE OF CHARLESTON, AND OTHER
MATTERS RELATING THERETO.

A RESOLUTION
PROVIDING FOR THE ISSUANCE AND SALE OF
STUDENT AND FACULTY HOUSING REVENUE BONDS
OF THE COLLEGE OF CHARLESTON, AND OTHER
MATTERS RELATING THERETO.

BE IT RESOLVED BY THE STATE COLLEGE BOARD OF TRUSTEES IN
MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT AND
INTENT OF RESOLUTION

Section 1.01

As an incident to the adoption of this Resolution (the RESOLUTION OF 1970) and the issuance of the bonds provided for herein, the State College Board of Trustees (the TRUSTEES) finds, as a fact, that each of the statements hereinafter set forth is in all respects true and correct:

1. The College of Charleston (the COLLEGE) is a state institution of higher learning, owned and operated by the State of South Carolina, having been acquired by the State on July 1, 1970 pursuant to the authorizations of Section 9 of Part III of Act No. 985 of the General Assembly of the State of South Carolina for the year 1970.

2. The COLLEGE is under the management and control of a Board of Trustees created by Act No. 353 of 1969.

3. The general powers of the TRUSTEES are set forth in Act No. 353 of 1969 and the specific powers by which the TRUSTEES adopt the RESOLUTION OF 1970 are set forth in Section 2 of Act No. _____ of the Acts of the General Assembly for the year 1970 (the ENABLING ACT).

4. As of the date of the adoption of the RESOLUTION OF 1970 the outstanding bonds of the COLLEGE, for which the revenues of its Student and Faculty Housing Facilities (the FACILITIES), or some portion thereof, are pledged, are set forth in paragraphs 6 and 8, supra.

5. The ENABLING ACT authorizes the TRUSTEES to borrow not exceeding \$650,000 to be used to refund certain obligations incurred by the College of Charleston prior to July 1, 1970, more particularly hereinafter described, and to defray the cost of construction, reconstruction and equipping of dormitories and buildings designed for student and faculty housing, and auxiliary and related facilities located on lands owned by the State of South Carolina and to be used for the purpose of providing housing and auxiliary and related facilities for students and faculty of the COLLEGE.

6. Prior to becoming a State institution of higher learning the College of Charleston entered into a Loan Agreement with the Department of Housing and Urban Development, an agency of the United States of America, by which that agency agreed to purchase \$463,000 College of Charleston Housing and Dining Hall Bonds of 1970, Series A and B, whose proceeds would be used (a) to the extent of \$303,000 to refund the outstanding College of Charleston Housing and Dining Hall Bonds of 1961 and (b) to the extent of \$160,000 to defray the cost of constructing a third story on the existing dormitory known as Craig Hall and Student Union Building.

7. Although construction of the third story aforesaid was begun prior to July 1, 1970, the bonds contemplated by the abovementioned Loan Agreement had not been delivered as of the occasion of the acquisition of the College of Charleston by the State and the Loan Agreement abovementioned has now been revised.

Under the terms of the revised Loan Agreement the Department of Housing and Urban Development will purchase \$160,000 Student and Faculty Housing Revenue Bonds, Series A, of the COLLEGE, the proceeds of which will be used, together with funds provided by the COLLEGE from other sources, to pay the cost of constructing the abovementioned third floor addition to the Craig Hall and Student Union Building.

8. The revised Loan Agreement does not provide for the refunding of the outstanding revenue bonds above described in paragraph 6, which are secured by a mortgage lien on, and pledge of the net revenues derived from, the Craig Hall and Student Union Building. The only other obligation of the COLLEGE outstanding which affects the revenues derived from the COLLEGE'S student and faculty housing facilities is a mortgage loan in the aggregate principal amount of \$167,000 incurred to finance the construction of the Women's Dormitory (a separate and distinct building from the Craig Hall and Student Union Building) and which is secured by a first mortgage upon the Women's Dormitory. This last mentioned mortgage obligation is a general obligation of the COLLEGE and is not secured by a pledge of any revenues derived from the Women's Dormitory or any other student or faculty housing facility. The mortgage securing the said loan nevertheless provides that in the event of default the mortgage holder may have a receiver appointed to collect the rentals to be derived from the Women's Dormitory.

9. Although the ENABLING ACT authorizes the Trustees to issue sufficient revenue bonds of the COLLEGE to refund both

of the outstanding obligations abovementioned in paragraphs 6 and 8, none of these obligations will be refunded at this time and the \$160,000 Student and Faculty Housing Revenue Bonds, Series A of the College will be in all respects junior and subordinate to the lien and pledge of revenues which secure the payment of the outstanding \$303,000 College of Charleston Housing and Dining Hall Bonds of 1961 (which are now held by the said Department of Housing and Urban Development); and to the rights and privileges vested in the holder of the mortgage upon the Women's Dormitory, including the right of such mortgage holder in the event of a default upon the said mortgage debt to have a receiver appointed for the rentals to be derived from the Women's Dormitory and to have the same applied to the payment of the said mortgage debt.

Section 1.02

The TRUSTEES have further recognized the desirability of adopting a general resolution which would be the vehicle under which all bonds, both those initially authorized by the RESOLUTION OF 1970, and those hereafter to be issued by the COLLEGE to provide funds for the construction of future FACILITIES, would be issued.

Section 1.03

The TRUSTEES have determined that it would be in the interest of the COLLEGE if all bonds payable from the revenues of the FACILITIES be expressed to mature on July 1 in the years of their maturities and that all interest be paid semi-annually on the first days of January and July in the years in which interest falls due.

Section 1.04

The TRUSTEES have likewise determined that in order to meet future needs for additional FACILITIES, provision must be made for the issuance of additional bonds, on a parity with the bonds immediately authorized by the RESOLUTION OF 1970 (ADDITIONAL BONDS), under conditions hereafter prescribed by the RESOLUTION OF 1970.

Section 1.05

Accordingly, the RESOLUTION OF 1970 is adopted as a vehicle pursuant to which BONDS may be issued, aggregating not exceeding \$160,000, for the purpose of defraying the cost of constructing the recently completed third story to the Craig Hall and Student Union Building and pursuant to which ADDITIONAL BONDS may be issued to meet future needs for additional FACILITIES under the conditions prescribed by Article V.

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

Section 2.01

This resolution may hereafter be cited and is herein-after sometimes referred to as the RESOLUTION OF 1970.

Section 2.02

In this RESOLUTION OF 1970, unless a different meaning clearly appears from the context:

(1) Articles, sections and paragraphs mentioned by number are the respective articles, sections and paragraphs of this RESOLUTION OF 1970 so numbered.

(2) ACCOUNTANT'S CERTIFICATE shall mean a certificate signed by an accountant or firm of accountants of recognized standing (who may be employees of the State of South Carolina),

who regularly audit the books and accounts of the COLLEGE, selected by the COLLEGE.

(3) ADDITIONAL BONDS shall mean any further bonds issued by the TRUSTEES for the benefit of the COLLEGE, pursuant to the ENABLING ACT, or pursuant to some subsequently enacted legislative authorization, under conditions permitting such bonds to be on a parity with the BONDS.

(4) BONDHOLDER, or the term Holder, or any similar term, when used with reference to any of the BONDS or ADDITIONAL BONDS, shall mean any person who shall be the bearer of any unregistered BOND, or of any BOND registered to bearer, or the registered holder of any BOND which shall at the time be registered other than to bearer.

(5) BONDS shall mean any of the \$160,000 Student and Faculty Housing Revenue Bonds, Series A, of the COLLEGE authorized by the RESOLUTION OF 1970.

(6) The COLLEGE shall mean The College of Charleston at Charleston, South Carolina, a State owned institution.

(7) CORPORATE TRUSTEE shall mean the financial institution which shall be the Custodian of the DEBT SERVICE FUND and the DEBT SERVICE RESERVE FUND.

(8) DEBT SERVICE FUND shall mean the fund designed to meet the payment of the principal and interest of all BONDS and ADDITIONAL BONDS that may from time to time be outstanding.

(9) DEBT SERVICE RESERVE FUND shall mean the fund held by the CORPORATE TRUSTEE, intended to provide a reserve for the payment of BONDS and ADDITIONAL BONDS.

(10) ENABLING ACT shall mean Section 2 of Act No. _____ of the Acts of the General Assembly of the State of South Carolina for the year 1970, entitled "AN ACT TO AUTHORIZE THE STATE COLLEGE BOARD OF TRUSTEES AS THE GOVERNING BODY OF THE COLLEGE OF CHARLESTON TO ISSUE NOT EXCEEDING SIX HUNDRED FIFTY THOUSAND DOLLARS STUDENT AND FACULTY HOUSING REVENUE BONDS, AND NOT EXCEEDING ONE MILLION TWO HUNDRED THOUSAND DOLLARS PLANT IMPROVEMENT BONDS, TO PROVIDE FOR THE USE OF THE PROCEEDS AND TO PROVIDE FOR THE PAYMENT OF SUCH BONDS; AND TO AUTHORIZE THE BOARD TO CONSUMMATE CERTAIN FINANCING ARRANGEMENTS AND TO UTILIZE AVAILABLE ENDOWMENTS TO ESTABLISH RESERVE FUNDS", approved the 1st day of May, 1970.

(11) ENTIRE REVENUES shall mean the entire rental revenues derived by the COLLEGE from the FACILITIES.

(12) FACILITIES shall mean all dormitories now existing on the campus at the COLLEGE; all additional student and faculty housing facilities constructed with the proceeds of BONDS or ADDITIONAL BONDS, including, if the supplementary resolution providing for the issuance of ADDITIONAL BONDS of any particular series so provides, other types of facilities located in buildings providing housing facilities; but shall not include housing facilities (acquired or constructed otherwise than from the proceeds of BONDS or ADDITIONAL BONDS) from time to time provided on a rent free basis to administrative personnel of the COLLEGE who are required to occupy the same as an incident to their employment.

(13) FISCAL YEAR shall mean the period of twelve calendar months, beginning on July 1st of each year and ending with June 30th of the succeeding year.

(14) LOAN SUBSIDIES shall mean all sums to become payable to or for the account of the COLLEGE (including sums to be paid to the CORPORATE TRUSTEE for deposit in the DEBT SERVICE FUND) pursuant to any grant, loan agreement, contract or other

obligation obligating either the United States or any department or agency thereof, or the State of South Carolina to make payments over a period of years for the purpose of discharging in whole or in part the debt service of any series of ADDITIONAL BONDS or any portion of any such series; any calculation of the quantum of LOAN SUBSIDIES shall be made in the light of the applicable provisions of the grant, loan agreement, contract or obligation in force on the occasion when such calculation is required to be made by any of the provisions hereof.

(15) PAYING AGENT shall mean the bank or financial institution at which any principal or interest of the BONDS authorized by the RESOLUTION OF 1970 shall be payable.

(16) PRIOR LIEN BONDS shall mean the bonds from time to time outstanding of an original issue of \$340,000 College of Charleston Housing and Dining Hall Bonds of 1961, dated as of July 1, 1961, but shall not include the mortgage note described in Section 1.01 (8) supra.

(17) STATE BOARD shall mean the State Budget and Control Board of the State of South Carolina, as Trustee of the funds of the South Carolina Retirement System.

(18) TRUSTEES shall mean the State College Board of Trustees.

(19) Words importing persons include firms, associations and corporation.

(20) Words importing the redemption or redeeming or calling for redemption of a BOND do not include or connote the payment of such BOND at its stated maturity or the purchase of such BOND.

(21) Words importing the singular number include the plural number and vice versa.

ARTICLE III

ISSUANCE OF BONDS AND ADDITIONAL BONDS

Section 3.01

BONDS or ADDITIONAL BONDS to the extent authorized by the RESOLUTION OF 1970 may be issued from time to time by the adoption of a resolution expressed to be supplementary to the RESOLUTION OF 1970, and when so authorized and sold shall interest be on a parity in all respects notwithstanding that they may bear different date, interest rate, number, date of execution or date of delivery.

Section 3.02

All BONDS or ADDITIONAL BONDS shall be expressed to mature on July 1 in the years wherein the same fall due and shall bear interest payable as of January 1 and July 1 in the years wherein interest becomes due.

Section 3.03

All BONDS and ADDITIONAL BONDS shall be issued in such series as the TRUSTEES shall from time to time prescribe. Each series shall be given a separate notation so as to distinguish the bonds of that series from the bonds of another series.

Section 3.04

BONDS and ADDITIONAL BONDS shall have such maturities and shall bear such rate or rates of interest as the TRUSTEES shall by resolution prescribe, except that the maturities of ADDITIONAL BONDS shall be arranged in conformity with the provisions of Section 5.10.

Section 3.05

Both the principal and interest of BONDS and ADDITIONAL BONDS shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts, at the PAYING AGENT designated in the Resolution of the TRUSTEES providing for the issuance of each particular series.

Section 3.06

If in the issuance of any BONDS or ADDITIONAL BONDS the TRUSTEES shall have reserved the right, at their option, to redeem the same prior to the stated maturity thereof, then in each such event the TRUSTEES shall give notice of such redemption by publication of a notice of redemption, describing the BONDS or ADDITIONAL BONDS to be redeemed and specifying the redemption date, at least once, not less than thirty days and not more than sixty days prior to the redemption date, in a financial journal printed in the English language and published in the Borough of Manhattan, City of New York, State of New York; PROVIDED, that the said published notice of redemption need not be given to the HOLDER of BONDS or ADDITIONAL BONDS outstanding in fully registered form, if notice in writing is given to such HOLDER not less than thirty days nor more than sixty days prior to the date so fixed for redemption.

Interest on the BONDS or ADDITIONAL BONDS to be redeemed shall cease to accrue from and after the redemption date specified in such notice unless the TRUSTEES default in making due provision for the payment of the redemption price thereof.

Section 3.07

BONDS or ADDITIONAL BONDS when outstanding in coupon form shall be negotiable instruments, and shall be transferable by delivery except when registered as to principal in the name of the HOLDER at the office of the CORPORATE TRUSTEE, on registry books to be kept by the CORPORATE TRUSTEE on behalf of the COLLEGE for such purpose. In each such instance such registration shall be noted on the reverse side of each bond, after which no transfer of such bond shall be valid unless made on said books by the registered HOLDER in person or by his duly authorized attorney, and similarly noted on the bond, but such bond may be discharged from such registration by being in like manner transferred to bearer, after which it shall again be transferable by delivery, and may again and from time to time be registered or discharged from registration in the same manner. The registration of any BOND or ADDITIONAL BOND shall not affect the negotiability of the coupons appertaining thereto, which shall continue to be payable to bearer and transferable by delivery.

Section 3.08

The TRUSTEES, each PAYING AGENT, and the CORPORATE TRUSTEE may treat and consider the bearer of any coupon BOND or coupon ADDITIONAL BOND, which shall not at the time be registered as to principal other than to bearer, as the HOLDER and absolute owner thereof, whether such bond shall be overdue or not, for the purpose of receiving payment of the principal or redemption price thereof and for all other purposes whatsoever, except for the purpose of receiving payment of coupons, and neither the TRUSTEES, nor any PAYING AGENT, nor the CORPORATE TRUSTEE shall be affected

by any notice to the contrary. The TRUSTEES, each PAYING AGENT, and the CORPORATE TRUSTEE may treat and consider the bearer of any coupon appurtenant to any coupon BOND or coupon ADDITIONAL BOND as the HOLDER and absolute owner thereof, whether such coupon or such bond shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither the TRUSTEES, nor any PAYING AGENT, nor the CORPORATE TRUSTEE shall be affected by any notice to the contrary. The TRUSTEES, each PAYING AGENT and the CORPORATE TRUSTEE may treat and consider the person in whose name any coupon BOND or coupon ADDITIONAL BOND for the time being shall be registered as to principal upon the books of the CORPORATE TRUSTEE as the HOLDER and absolute owner thereof, whether such bond shall be overdue or not, for the purpose of receiving payment of the principal or redemption price thereof and for all other purposes whatsoever, except for the purpose of receiving payment of coupons, and neither the TRUSTEES, nor any PAYING AGENT, nor the CORPORATE TRUSTEE shall be affected by any notice to the contrary; and payment of, or on account of, the principal or redemption price, if any, of such coupon BOND or coupon ADDITIONAL BOND shall be made only to, or upon the order of, such registered HOLDER thereof. All payments made as in this Section provided shall be valid and effectual to satisfy and discharge the liability upon the several bonds to the extent of the sum or sums so paid.

Section 3.09

All BONDS or ADDITIONAL BONDS, when issued in fully registered form, shall be transferable only by the registered

HOLDER in person or by his attorney duly authorized; no transfer thereof shall become effective until the transfer shall be duly noted by the CORPORATE TRUSTEE in the Bond Register to be kept by the CORPORATE TRUSTEE and the transfer duly noted on the back of the registered bond. On the occasion of any transfer of any registered BOND or registered ADDITIONAL BOND, an appropriate notation, indicating the date to which interest has been paid, shall be entered in the Bond Register and on the back of the registered bond.

Section 3.10

All BONDS and ADDITIONAL BONDS shall be executed in the name of the TRUSTEES by the manual or facsimile signatures of the Chairman of the TRUSTEES and of the President of the COLLEGE, under the Corporate Seal of the COLLEGE which shall be impressed or reproduced thereon, and attested by the manual signature of the Secretary or Assistant Secretary of the TRUSTEES. Interest coupons on any BOND or ADDITIONAL BOND issued in coupon form shall be signed by the facsimile signatures of the said Chairman, President and the Secretary or Assistant Secretary. The facsimile signatures appearing on the coupons may be those of the Chairman, President and the Secretary or Assistant Secretary who are in office on the date of the adoption of the Supplemental Resolution prescribed by Section 3.01, supra, or on the occasion when such BONDS or ADDITIONAL BONDS are printed. The execution of the coupons in such fashion shall be valid and effectual, notwithstanding any subsequent change in the personnel of any of said offices. The BONDS or ADDITIONAL BONDS shall be executed by the persons holding office when the BONDS or ADDITIONAL BONDS are printed and are ready

for delivery. Bonds executed in this fashion may be validly delivered notwithstanding that those who sign the bonds are different persons from those whose signatures appear on the coupons; PROVIDED, that no BOND or ADDITIONAL BOND issued in fully registered form shall be valid unless the certificate of authentication appearing on any BOND or ADDITIONAL BOND in fully registered form shall be duly executed by an authorized officer of the CORPORATE TRUSTEE.

Section 3.11

BONDS or ADDITIONAL BONDS and the interest thereon shall be exempt from all State, County, Municipal, School District, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes. This provision shall be deemed a part of the contract insuring to the benefit of all HOLDERS or beneficiaries of BONDS or ADDITIONAL BONDS.

Section 3.12

In case any BOND or ADDITIONAL BOND shall become mutilated in respect of the body of such bond or the coupons, if any, appertaining thereto, or shall be believed by the TRUSTEES to have been destroyed, stolen or lost, upon proof of ownership, satisfactory to the said TRUSTEES, and upon surrender of such mutilated BOND or ADDITIONAL BOND, with its coupons, if any, to the TRUSTEES, or upon receipt of evidence satisfactory to the TRUSTEES of such destruction, theft or loss, and upon receipt also of indemnity satisfactory to the TRUSTEES, and upon payment of all expenses incurred by the TRUSTEES for any investigation relating

thereto, and all expenses incurred in connection with the issuance of any new bond under this Section, the Chairman of the TRUSTEES, the President of the COLLEGE and the Secretary of the TRUSTEES shall execute and deliver a new bond of the same maturity, and for the same aggregate principal amount, with the coupons, if any, appertaining thereto, of like tenor and date, bearing the same number, with such notations as the TRUSTEES shall determine, in exchange and substitution for, and upon the cancellation of, the mutilated bond, its coupons, if any, or in lieu of and in substitution of the bond and coupons, if any, so lost, stolen or destroyed.

Section 3.13

The principal of and interest on all BONDS and ADDITIONAL BONDS shall be payable from the ENTIRE REVENUES and all LOAN SUBSIDIES; and, for the payment of such principal and interest, such ENTIRE REVENUES and such LOAN SUBSIDIES shall be and are hereby irrevocably pledged. Such pledge shall be deemed discharged as to the ENTIRE REVENUES for any FISCAL YEAR, if all installments of principal and interest on all PRIOR LIEN BONDS, BONDS and ADDITIONAL BONDS then outstanding matured or maturing in such FISCAL YEAR shall have been fully paid and discharged, and the TRUSTEES shall have made all other payments required of it by the RESOLUTION OF 1970, and shall not be in default as to any covenants made by the RESOLUTION OF 1970, and thereafter, such ENTIRE REVENUES then remaining may be made use of for such other purposes as the TRUSTEES may, pursuant to applicable law, direct. The pledge herein made shall secure equally and ratably all BONDS and ADDITIONAL BONDS that at any time hereafter shall be outstanding.

Section 3.14

Neither the faith and credit of the State of South Carolina nor of the TRUSTEES shall be pledged to the payment of said BONDS and ADDITIONAL BONDS, or the interest to become due thereon, and there shall be on the face of each BOND or ADDITIONAL BOND, a statement, plainly worded, to that effect. Neither the members of the TRUSTEES, nor any person required by the provisions of the RESOLUTION OF 1970 to sign the BONDS or ADDITIONAL BONDS shall be personally liable thereon.

Section 3.15

The form of all BONDS and ADDITIONAL BONDS, when outstanding in either coupon form or registered form, shall be as prescribed by the Supplemental Resolution required by Section 3.01, supra.

ARTICLE IV

GENERAL COVENANT AS TO RATES AND CHARGES

Section 4.01

The TRUSTEES covenant and agree to place into effect, to maintain and to revise from time to time, and as often as may be necessary, such schedule of rentals and charges for the FACILITIES, as shall at all times be sufficient (1) to pay the interest on and principal of PRIOR LIEN BONDS, the BONDS and any ADDITIONAL BONDS that may from time to time hereafter be outstanding, as and when the same become due and payable, (2) to provide such sums as may be necessary for the operation and maintenance of such FACILITIES in the manner required by the RESOLUTION OF 1970, and (3) to discharge such other and further obligations as

shall have been incurred by the COLLEGE under the RESOLUTION OF 1970.

The TRUSTEES further covenant and agree to promulgate and at all times maintain in effect, rules and regulations covering the use of the FACILITIES designed to required the maximum use thereof.

Section 4.02

In making the covenants and agreements set forth in Section 4.01 the TRUSTEES shall not be precluded from fixing rates, different from other rates, for any particular additional FACILITIES which may be constructed from the proceeds of any series of BONDS or ADDITIONAL BONDS.

ARTICLE V

ADDITIONAL BONDS

Section 5.01

In addition to the BONDS initially authorized by the RESOLUTION OF 1970, the TRUSTEES specifically reserve the right to issue ADDITIONAL BONDS to such amount and for such purposes as the TRUSTEES, from time to time hereafter deem necessary and proper, including bonds issued pursuant to the ENABLING ACT and bonds issued pursuant to subsequently enacted legislative authorization. If such ADDITIONAL BONDS are issued under the conditions enumerated in the remaining sections of this Article V, such ADDITIONAL BONDS shall be on a parity with the BONDS, notwithstanding that they may bear different date, interest rate, number, date of execution or date of delivery; and in all such instances, the pledge of the

ENTIRE REVENUES and the LOAN SUBSIDIES made hereunder, the statutory lien herein granted, and the covenants and remedies applicable to the HOLDERS of the BOND shall be likewise applicable and available to the HOLDERS of such ADDITIONAL BONDS. But no ADDITIONAL BONDS shall be issued unless in full compliance with all of the conditions imposed by the remaining Sections of Article V.

Section 5.02

The principal proceeds of such ADDITIONAL BONDS shall be used either,

- (a) to provide funds to refund the PRIOR LIEN BONDS, BONDS or ADDITIONAL BONDS then outstanding;
or
- (b) to provide funds to pay the cost of constructing additional FACILITIES, or to renovate existing FACILITIES.

Section 5.03

The TRUSTEES shall, on the occasion of the issuance of such ADDITIONAL BONDS, be in full compliance with all of the covenants, undertakings and agreements made by it in the BOND RESOLUTION OF 1970 as then amended or supplemented and such fact shall be established by a certificate of the Chief Financial Officer of the COLLEGE.

Section 5.04

The ENTIRE REVENUES for the FISCAL YEAR next preceding the FISCAL YEAR in which the ADDITIONAL BONDS shall be issued, as established by the ACCOUNTANT'S CERTIFICATE, shall be not less than one hundred thirty per centum (130%) of:

The maximum annual principal and interest requirements for any succeeding FISCAL YEAR on all PRIOR LIEN BONDS, all BONDS, all ADDITIONAL BONDS then issued, and all ADDITIONAL BONDS then proposed to be issued, less the amount of LOAN SUBSIDIES to become payable in such FISCAL YEAR.

Section 5.05

The "Annual Net Revenues" (which are hereby defined to mean the ENTIRE REVENUES, less the expenses of operation and maintenance of the FACILITIES) for the FISCAL YEAR next preceding the FISCAL YEAR in which the proposed issue of ADDITIONAL BONDS are to be issued, as established by an ACCOUNTANT'S CERTIFICATE, shall be not less than one hundred thirty per centum (130%) of the average annual requirements for principal and interest on all PRIOR LIEN BONDS, all BONDS and ADDITIONAL BONDS then outstanding determined as hereinafter in this Section provided.

The calculation required by this Section 5.05 to determine the average annual requirements for principal and interest on all PRIOR LIEN BONDS, all BONDS and ADDITIONAL BONDS then outstanding shall be effected as follows:

- (a) the aggregate annual principal and interest requirements of all PRIOR LIEN BONDS, all BONDS and ADDITIONAL BONDS then outstanding shall be determined for each FISCAL YEAR in which PRIOR LIEN BONDS, BONDS or ADDITIONAL BONDS are expressed to mature;
- (b) the total of all principal and interest requirements of all PRIOR LIEN BONDS, all BONDS and ADDITIONAL BONDS then outstanding for all FISCAL YEARS in which PRIOR LIEN BONDS, BONDS or ADDITIONAL BONDS are expressed to mature shall be determined;

- (c) there shall then be deducted from the total found by paragraph (b) above the aggregate of all LOAN SUBSIDIES to be received for the period of FISCAL YEARS during which BONDS and ADDITIONAL BONDS are expressed to mature;
- (d) the remainder obtained pursuant to paragraph (c) shall be divided by the number of FISCAL YEARS during which any PRIOR LIEN BONDS, BONDS or ADDITIONAL BONDS then outstanding are expressed to mature;
- (e) the quotient thus obtained shall reflect the average annual requirements of principal and interest of all PRIOR LIEN BONDS, BONDS and ADDITIONAL BONDS then outstanding; and
- (f) each calculation required by any of paragraphs (a) through (e), inclusive, shall commence as of the date of the then proposed issue of ADDITIONAL BONDS, and shall assume that all sums then due on outstanding PRIOR LIEN BONDS, BONDS and ADDITIONAL BONDS have been paid to the extent that moneys therefor shall be in the hands of the PAYING AGENT.

Section 5.06

If the proceeds of the ADDITIONAL BONDS are intended to be used to construct additional FACILITIES, or to renovate existing FACILITIES, then in such event the estimated annual net revenues (computed as hereinafter provided in this Section 5.06) of the new FACILITIES so to be constructed, or the old FACILITIES so to be renovated, when added to the estimated future annual net revenues

(computed as hereinafter provided in this Section 5.06) of the then existing FACILITIES shall equal at least one hundred thirty per centum (130%) of the average annual debt service requirements (computed as hereinafter provided in this Section 5.06) of the principal and interest on all PRIOR LIEN BONDS, all BONDS and ADDITIONAL BONDS then outstanding, and on the ADDITIONAL BONDS then proposed to be issued.

1. The computation of the estimated future revenues of FACILITIES to be constructed or to be renovated with the proceeds of ADDITIONAL BONDS shall be predicated upon an assumed utilization of not more than 90% of such FACILITIES to be constructed and renovated and shall be based upon the rate schedule for the new and/or renovated FACILITIES which will be in effect at the beginning of the first semester of the next academic year.
2. The computation of future annual net revenues of the existing FACILITIES shall be based upon the rate schedule which will be in effect at the beginning of the next academic year established for existing FACILITIES , and shall be predicated upon: (i) an assumed utilization of not more than that prevailing during the preceding FISCAL YEAR; and (ii) an assumed level of operation and maintenance expense not less

than that prevailing during the preceding FISCAL YEAR.

3. The average annual debt service requirements for principal and interest on all PRIOR LIEN BONDS, all BONDS and ADDITIONAL BONDS then outstanding and on the ADDITIONAL BONDS proposed to be issued shall be computed in accordance with the applicable provisions in paragraphs (a) through (e), inclusive, of Section 5.05 hereof, except that the determinations contemplated by the foregoing paragraphs of Section 5.05 shall include (i) the principal and interest requirements of the ADDITIONAL BONDS then proposed to be issued; (ii) LOAN SUBSIDIES applicable thereto; and (iii) any additional number of years for which such ADDITIONAL BONDS shall be outstanding.
4. The computations required by paragraphs 1 and 2 of this Section 5.06 shall be made by the Chief Financial Officer of the COLLEGE and shall be approved by the TRUSTEES.

Section 5.07

If ADDITIONAL BONDS are issued for the purpose of obtaining funds to effect the refunding of the mortgage note described in Section 1.01 (8), the PRIOR LIEN BONDS, BONDS or ADDITIONAL BONDS then outstanding, such refunding bonds shall bear interest at a lower rate than that in effect on the obligations to be refunded, except that ADDITIONAL BONDS or portions thereof, may be issued at a higher rate of interest than that borne by the obligations which are being refunded, if such ADDITIONAL BONDS shall be expressed to mature subsequent to the last maturing BONDS or ADDITIONAL BONDS then outstanding, and no right of redemption be

given which would permit any bonds of such issue of refunding bonds to be called prior to the payment or redemption of the last maturing BONDS or ADDITIONAL BONDS then outstanding.

Section 5.08

The TRUSTEES shall obtain an opinion from independent counsel (an attorney duly admitted to practice law by the Supreme Court of South Carolina and who shall not be in full time employment for the COLLEGE) that the ADDITIONAL BONDS are being issued for purposes authorized by either the ENABLING ACT or for purposes permitted by the subsequently enacted legislation referred to, supra.

Section 5.09

The TRUSTEES shall obtain an opinion from independent counsel (as defined in Section 5.08) that the title to any tract of land to be acquired with any part of the proceeds of any ADDITIONAL BONDS shall be good and marketable, and will vest in the TRUSTEES either (a) an indefeasible fee simple title, or (b) an indefeasible leasehold estate, which shall extend at least five (5) years beyond the maturity date of the last maturing of the BONDS and the ADDITIONAL BONDS then to be outstanding.

Section 5.10

The maturity schedule of each series of ADDITIONAL BONDS shall be so arranged that not more than five per cent (5%) of the aggregate principal amount of such series shall be expressed to mature in any FISCAL YEAR in which BONDS or ADDITIONAL BONDS then

outstanding are expressed to mature; but this 5% limitation on the amount of ADDITIONAL BONDS which may be expressed to mature in FISCAL YEARS wherein BONDS and ADDITIONAL BONDS then outstanding are expressed to mature may be disregarded in any FISCAL YEAR whenever the aggregate of

- (i) BONDS then outstanding, maturing the such FISCAL YEAR,
- (ii) ADDITIONAL BONDS then outstanding, maturing in such FISCAL YEAR, and
- (iii) ADDITIONAL BONDS to be outstanding, maturing in such FISCAL YEAR

does not exceed the maximum annual (FISCAL YEAR) principal payment of

- (i) BONDS then outstanding, maturing in such FISCAL YEARS, and
- (ii) ADDITIONAL BONDS then outstanding, maturing in such FISCAL YEARS;

and in such FISCAL YEARS wherein the 5% limitation may be thus ignored, ADDITIONAL BONDS may be expressed to mature to such extent as shall not exceed the maximum annual principal payment of BONDS, ADDITIONAL BONDS then outstanding, and ADDITIONAL BONDS to be outstanding, during any other FISCAL YEAR.

As an illustration of the intent and meaning of this exception, let it be assumed that in the year 1975 ADDITIONAL BONDS, Series X, in the principal amount of \$2,000,000 is proposed to be issued. At such time there are outstanding an aggregate of

\$6,050,000 of BONDS and ADDITIONAL BONDS. The aggregate principal maturities of BONDS and ADDITIONAL BONDS are as follows:

\$400,000 on July 1 in the years 1976 to 1990,
inclusive; and

\$ 50,000 on July 1 in the year 1991.

Under these circumstances the maturities of the \$2,000,000 of ADDITIONAL BONDS, Series X, would be subject to the following limitations:

- (i) During the years 1976 to 1990, inclusive, not more than \$100,000 of ADDITIONAL BONDS, Series X, may be expressed to mature;
- (ii) In the year 1991, not more than \$500,000 of ADDITIONAL BONDS, Series X, may mature; and
- (iii) In the years 1992 and thereafter, there is no limitation on the amount of ADDITIONAL BONDS, Series X, that may be expressed to mature in such years.

PROVIDED FURTHER that the limitations upon the stated maturities of ADDITIONAL BONDS shall not affect in any way optional redemption provisions relating to such ADDITIONAL BONDS.

Section 5.11

The TRUSTEES, the CORPORATE TRUSTEE, the PAYING AGENT or BONDHOLDERS and all purchasers or HOLDERS of any ADDITIONAL BONDS shall be entitled to rely upon:

1. All ACCOUNTANT'S CERTIFICATES rendered pursuant to the requirements of this Article V; and
2. All computations made by the Chief Financial Officer of the COLLEGE (approved by the TRUSTEES, when so required) made pursuant to the requirements of this Article V.

ARTICLE VI

ESTABLISHMENT OF FUNDS

Section 6.01

Effective on the occasion of the delivery of any BONDS, and continuing for so long a time as any sum remains due by way of principal or interest on any BONDS or ADDITIONAL BONDS, the following funds established by the remaining sections of this Article shall be established and at all times maintained.

Section 6.02

There is hereby established a DEBT SERVICE FUND. This fund is intended to provide funds which shall be applicable and available for the payment of the principal and interest of all BONDS and ADDITIONAL BONDS that may at any time be outstanding. This fund shall at all times be kept on deposit with the CORPORATE TRUSTEE and shall be disbursed by the CORPORATE TRUSTEE to the PAYING AGENTS of the several series of BONDS and ADDITIONAL BONDS from time to time, but at least five (5) days before each interest or principal payment date, it being intended that moneys with which to meet the payment of principal or interest shall be delivered to, and shall be in the hands of, each PAYING AGENT not less than five (5) days before the date on which principal and interest installments of any BONDS or ADDITIONAL BONDS fall due.

To the extent practical, moneys in the DEBT SERVICE FUND shall be invested and reinvested in obligations of the United States or any agency thereof, having maturities consonant with the need for moneys, but in no event, longer than five (5)

months from the date as of which any such investment shall be made.

All income earned from investments of the DEBT SERVICE FUND shall be transferred from time to time to the DEBT SERVICE RESERVE FUND.

Section 6.03

There is hereby established a DEBT SERVICE RESERVE FUND. This fund is intended to provide a cushion or reserve to meet the payment of installments of principal and interest of BONDS and ADDITIONAL BONDS falling due, but shall be resorted to only when funds in the DEBT SERVICE FUND are inadequate for such purpose.

The DEBT SERVICE RESERVE FUND shall be kept by the CORPORATE TRUSTEE and withdrawn only by the CORPORATE TRUSTEE. Except to remedy a deficiency in the DEBT SERVICE FUND, resort to the DEBT SERVICE RESERVE FUND shall be made only for the redemption and payment of all BONDS and ADDITIONAL BONDS at such time outstanding.

To the extent practical, moneys in the DEBT SERVICE RESERVE FUND shall be invested and reinvested in obligations of the United States or any agency thereof, having maturities consonant with the need for moneys, but in no event, longer than five (5) years from the date as of which any such investment shall be made. All income earned from investments of the DEBT SERVICE RESERVE FUND shall be added to and become a part of the DEBT SERVICE RESERVE FUND.

ARTICLE VII

COLLECTION AND DISPOSITION OF REVENUES

Section 7.01

The following provisions of this ARTICLE VII are subject in all respects to the rights (a) of the holders of the PRIOR LIEN BONDS and (b) of the holders of the mortgage note described in Section 1.01 (8), supra, in the event of a default thereunder; and the disposition of revenues hereinafter ordered shall be made only after provision has been made for the PRIOR LIEN BONDS in accordance with the provisions thereof and, in the event of any default under the said mortgage note, subject to the right of the holder thereof to have rentals from the mortgaged property applied to the mortgage debt.

Section 7.02

The ENTIRE REVENUES which the COLLEGE shall derive from the FACILITIES shall be duly collected, segregated from other revenues of the COLLEGE and kept on deposit with the State Treasurer or, at the option of the TRUSTEES, in a bank or banks selected by the TRUSTEES. Each such account shall be so entitled as to establish that it is a part of the ENTIRE REVENUES. The ENTIRE REVENUES shall be disposed of on a semi-annual basis. For the period beginning July 1 in each year dispositions shall be made of such revenues in the order of priority established by the numerical sequence of the sub-paragraphs of this Section, and no use of said revenues for any purpose shall be made unless and until the payments required by the prior paragraphs shall have been made:

1. On or before December 15 in each year there shall be paid from the ENTIRE REVENUES to the CORPORATE TRUSTEE for deposit in the DEBT SERVICE FUND such amounts, which together with LOAN SUBSIDIES then applicable therefor as will provide for CORPORATE

ARTICLE VII

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1. On or before December 15 in each year there shall be paid from the ENTIRE REVENUES to the CORPORATE TRUSTEE for deposit in the DEBT SERVICE FUND such amounts, which together with LOAN SUBSIDIES then applicable therefor as will provide for CORPORATE

TRUSTEE with sufficient moneys to:

- (a) discharge all installments of interest due on any BONDS or ADDITIONAL BONDS on January 1 next ensuing;
- (b) have on hand a sum equal to 50% of the aggregate principal payments to fall due on July 1 next ensuing on all BONDS and ADDITIONAL BONDS; and
- (c) discharge all past due installments of interest and all matured BONDS or ADDITIONAL BONDS then unpaid.

2. Unless the aggregate value of the cash and securities in the DEBT SERVICE RESERVE FUND shall equal or exceed the greater

- of
- (i) \$9,600,
 - (ii) that sum which is 6% of the aggregate of the principal amount of BONDS and ADDITIONAL BONDS then outstanding, or
 - (iii) that sum which reflects the maximum annual debt service requirement of all BONDS and ADDITIONAL BONDS then outstanding,

there shall be remitted to the CORPORATE TRUSTEE, for deposit in the DEBT SERVICE RESERVE FUND, a sum equal to 7% of the sum required by paragraphs (a) and (b) of paragraph 1, supra (provided that unless the aggregate value of the cash and securities in the DEBT SERVICE RESERVE FUND shall equal or exceed \$9,600, there shall be paid into the DEBT SERVICE RESERVE FUND not less than \$2,000 in any calendar year beginning with the year 1971).

3. After meeting the requirements of paragraphs 1 and 2, supra, so much as shall be required shall be expended for the maintenance and operation of the FACILITIES for the period ending December 31 of such calendar year.

4. If any balance remains after making the dispositions required by paragraphs 1 through 3, supra, such balance may, in the discretion of the TRUSTEES, be applied to the improvement, enlargement or extension of the FACILITIES, or to the payment of BONDS and ADDITIONAL BONDS then outstanding, or for any other lawful purpose.

Section 7.03

The revenues derived from the FACILITIES during the period beginning January 1 in each year shall be disposed of in the order of priority established by the numerical sequence of the sub-paragraphs of this Section, and no use of said revenues for any purpose shall be made unless and until the payments required by the prior paragraphs shall have been made:

1. On or before June 15 in each year there shall be paid from the ENTIRE REVENUES to the CORPORATE TRUSTEE for deposit in the DEBT SERVICE FUND, such amounts, which together with LOAN SUBSIDIES then applicable therefor, as will provide the CORPORATE TRUSTEE with sufficient moneys to

- (a) discharge all installments of interest due on any BONDS or ADDITIONAL BONDS on July 1 next ensuing;
- (b) effect the payment of the aggregate principal payments to fall due on July 1 next ensuing, on all BONDS and ADDITIONAL BONDS; and
- (c) discharge all past due installments of interest and all matured BONDS or ADDITIONAL BONDS then unpaid.

2. Unless the aggregate value of the cash and securities in the DEBT SERVICE RESERVE FUND shall equal or exceed the greater of

- (i) \$9,600,
- (ii) that sum which is 6% of the aggregate of the principal amount of BONDS and ADDITIONAL BONDS then outstanding, or
- (iii) that sum which reflects the maximum annual debt service requirement of all BONDS and ADDITIONAL BONDS then outstanding,

there shall be remitted to the CORPORATE TRUSTEE, for deposit in the DEBT SERVICE RESERVE FUND, a sum equal to 7% of the sum re-

quired by paragraphs (a) and (b) of paragraph 1, supra.

3. After meeting the requirements of paragraphs 1 and 2, supra, so much as shall be required shall be expended for the maintenance and operation of the FACILITIES for the period ending June 30 of such calendar year.

4. If any balance remains after making the dispositions required by paragraphs 1 through 3, supra, such balance may, in the discretion of the TRUSTEES, be applied to the improvement, enlargement or extension of the FACILITIES, or to the payment of BONDS and ADDITIONAL BONDS then outstanding, or for any other lawful purpose.

ARTICLE VIII

OPERATION OF FACILITIES

Section 8.01

The TRUSTEES covenant and agree:

1. To maintain at all times the FACILITIES in good repair and working order, to furnish and equip such FACILITIES to the extent which is customary, and to apply so much of the ENTIRE REVENUES, whose expenditures they control pursuant to the provisions of paragraph 3 of Section 7.02 and paragraph 3 of Section 7.03, supra, to the extent necessary to such operation and maintenance.

2. To collect and recover the ENTIRE REVENUES promptly, with dispatch, in businesslike fashion, and to make dispositions of the same as provided for in the RESOLUTION OF 1970.

3. That not later than thirty (30) days prior to the beginning of each FISCAL YEAR, they will cause to be prepared a budget for the operation of the FACILITIES for the next ensuing

FISCAL YEAR (which may be a part of the general budget of the COLLEGE), which shall reflect all sums which the TRUSTEES intend to spend or dispose of for such FACILITIES during such FISCAL YEAR. Such expenditures shall be detailed in accordance with good accounting practice, and shall set forth:

(a) all sums intended to be expended for operation, including the costs of administrative, clerical and accounting services, the cost of maintaining and insuring the FACILITIES, and of such fidelity bonds, as may be required by the RESOLUTION OF 1970;

(b) all sums intended for repairs; and

(c) all sums intended for improvements.

Such budget shall be adopted and approved by the TRUSTEES by resolution, and copies thereof shall be made available to any BONDHOLDER requesting the same. Provided that the provisions of this paragraph 3 shall not preclude revisions of the budget.

4. In order to implement the pledge of LOAN SUBSIDIES made by Section 3.13 hereof to pay or cause to be paid to the CORPORATE TRUSTEE all LOAN SUBSIDIES.

ARTICLE IX

AGREEMENT TO FURNISH INFORMATION

Section 9.01

The TRUSTEES recognize that those who may from time to time hereafter, be the HOLDERS of the BONDS or ADDITIONAL BONDS will, throughout the life of the BONDS or ADDITIONAL BONDS, require full information, fully particularized, with respect to the FACILITIES, the cost of operating and maintaining the same, and the receipts, rentals, and revenues therefrom. To that end, they especially covenant and agree:

1. That they will keep proper books of record and accounts, in which complete and correct entries shall be made of all transactions relating to the FACILITIES, all revenues and receipts derived therefrom, directly or indirectly, and all expenditures therefrom which may be made in connection with the said FACILITIES. Such records shall be kept in such fashion as to clearly present an adequate picture of the operation of the FACILITIES and to enable those who audit such books of record and accounts to readily ascertain the annual net revenues, as such term is defined in Section 5.05.

2. That as soon after the close of each FISCAL YEAR as possible, they will cause an audit to be made of the records of the said FACILITIES, which may be a part of the general audit of the affairs of the COLLEGE. A copy of such audit, accompanied by an ACCOUNTANT'S CERTIFICATE of accuracy shall be forwarded to the CORPORATE TRUSTEE, and other copies made available to every BONDHOLDER who shall have signified in writing to the TRUSTEES his desire to obtain copies of such audit.

ARTICLE X

ADDITIONAL COVENANTS

Section 10.01

The TRUSTEES further covenant and agree:

1. That no part of the FACILITIES, nor the ENTIRE REVENUES has been hypothecated, mortgaged, otherwise pledged or encumbered, save and except as herein recited or provided for.
2. That they will permit no free use to be made of any of the FACILITIES.
3. That so long as any BONDS or ADDITIONAL BONDS be

outstanding and unpaid, they will perform all duties with respect to the said FACILITIES, required by the ENABLING ACT and the RESOLUTION OF 1970, and fully comply with all of the terms, covenants and provisions contained in the proceedings providing for the issuance of the PRIOR LIEN BONDS and with all of the terms, covenants and provisions of the mortgage note described in Section 1.01 (8) and of the mortgage securing the same.

4. That they will not pledge, mortgage, encumber or permit to be encumbered, the said FACILITIES, or the ENTIRE REVENUES, or any portion thereof, except as provided for by the provisions of the RESOLUTION OF 1970.

5. That they will not in any FISCAL YEAR sell or dispose of any substantial part of the said FACILITIES unless all BONDS and all ADDITIONAL BONDS then outstanding shall have been paid in full, or unless and until provision shall have been made for the payment of all BONDS and ADDITIONAL BONDS then outstanding in full. (For the purposes of this paragraph, the term "substantial part" shall mean any facility, or part or portion thereof, which shall have produced as much as five per centum (5%) of the ENTIRE REVENUES for the preceding FISCAL YEAR). But the TRUSTEES may, in any FISCAL YEAR, sell, dispose of, or raze parts or portions of said FACILITIES which do not constitute a substantial part thereof. And if, pursuant to this provision any FACILITIES shall be sold, then the TRUSTEES shall be required to:

- (a) expend so much of such proceeds of sale as may be necessary for the acquisition of additional FACILITIES; or

- (b) remit such proceeds, or so much thereof as shall remain therefrom, if the additional FACILITIES have been acquired at a lesser cost, to the CORPORATE TRUSTEE, who shall hold the same in a special fund, separate and distinct from all other funds heretofore established by the RESOLUTION OF 1970, and shall be used by him solely for the redemption of bonds payable from the ENTIRE REVENUES.

6. That they will keep the buildings which constitute the FACILITIES, and all furniture, furnishings, apparatus, and equipment thereof, continuously insured under fire, windstorm and extended coverage policies, in an amount at least equal to the face amount of all PRIOR LIEN BONDS, all BONDS and ADDITIONAL BONDS outstanding; PROVIDED, ALWAYS, that in case the amount of such outstanding PRIOR LIEN BONDS, BONDS and ADDITIONAL BONDS shall be greater than the insurable value of the said FACILITIES, then the TRUSTEES shall insure the FACILITIES to the extent of their insurable value. In case of loss and subject to the rights of the holder of the PRIOR LIEN BONDS and to the rights of the holder of the mortgage note and mortgage described in Section 1.01 (8), supra, the proceeds of such insurance shall be applied to repair or to restore such FACILITIES, or the contents thereof, to their former condition, or in such manner as will make the FACILITIES usable. If funds received from said insurance policies or from any other sources by reason of such loss shall be insufficient to accomplish the foregoing, then and in such event, the TRUSTEES shall either:

- (a) expend such proceeds for the acquisition of additional FACILITIES; or
- (b) remit such proceeds, or so much thereof as shall remain therefrom, if additional FACILITIES have been acquired at a lesser cost, to the CORPORATE TRUSTEE, who shall hold the same in a special fund, separate and distinct from all other funds heretofore established by the RESOLUTION OF 1970, and shall be used by him solely for the redemption of bonds payable from the ENTIRE REVENUES.

7. That they will secure adequate fidelity bonds, covering all persons handling moneys of the FACILITIES, other than the CORPORATE TRUSTEE and the PAYING AGENT.

8. That all moneys received by the TRUSTEES as a consequence of any defalcation, covered by any fidelity bond, shall be treated as a part of the revenues derived from the FACILITIES, and disposed of as provided by ARTICLE VII, supra.

9. That all insurance policies will be open to the inspection of the BONDHOLDERS at all reasonable times.

10. That they will permit, at all reasonable times, so long as any bonds payable from the ENTIRE REVENUES are outstanding and unpaid, and funds are not available for the payment thereof, BONDHOLDERS to inspect the FACILITIES, and all records and accounts thereof.

ARTICLE XI

CORPORATE TRUSTEE OF ITS FUNCTIONS

Section 11.01

Prior to the delivery of the BONDS, a banking institution doing business in South Carolina and operating a trust department, shall be appointed as CORPORATE TRUSTEE.

Section 11.02

The CORPORATE TRUSTEE shall have the following functions:

- (1) To act as custodian of the DEBT SERVICE FUND;
- (2) To act as custodian of the DEBT SERVICE RESERVE FUND;
- (3) To invest and reinvest the principal proceeds of any BONDS or ADDITIONAL BONDS, whose proceeds are intended to construct or renovate FACILITIES in such manner as may be prescribed in the supple-

mental proceedings for the issuance of bonds of such series;

- (4) To act as Registrar of all BONDS and ADDITIONAL BONDS, and to maintain a set of registration books therefor, which shall at all times accurately reflect the names and addresses of all those who may be registered HOLDERS of any BONDS or ADDITIONAL BONDS; and
- (5) To make semi-annual reports to the TRUSTEES
 - (a) establishing balances on hand,
 - (b) listing investments made for any fund handled by the CORPORATE TRUSTEE; and
 - (c) listing all securities, if any, pledged pursuant to Section 11.13.

Section 11.03

It shall be the further duty of the CORPORATE TRUSTEE to give written notice to the TRUSTEES on or before each December 16 and each June 16, if there is any deficiency in the DEBT SERVICE FUND which would result in a need for further moneys to meet the payment of interest and/or principal falling due on January 1 and July 1 next ensuing, and the extent to which resort must be had to the DEBT SERVICE RESERVE FUND to meet such deficiency.

Section 11.04

Prior to the delivery of any BONDS, the CORPORATE TRUSTEE appointed pursuant to Section 11.01 shall signify its acceptance of the powers, duties and obligations conferred and imposed upon it by the RESOLUTION OF 1970, by executing and delivering to the TRUSTEES a written acceptance thereof.

Section 11.05

The recitals of fact made in the RESOLUTION OF 1970 and in the BONDS shall be taken as statements of the TRUSTEES, and the CORPORATE TRUSTEE shall not be deemed to have made any representation as to the correctness of the same, nor shall the CORPORATE TRUSTEE be deemed to have made any representation whatsoever as to the validity or sufficiency of the RESOLUTION OF 1970 or of the bonds issued hereunder, or the coupons appertaining thereto. Nor shall the CORPORATE TRUSTEE be under responsibility or duty with respect to the issuance of said BONDS, or the application of the proceeds thereof, except to the extent provided for herein. Nor shall the CORPORATE TRUSTEE be liable in connection with the performance of its duties hereunder, except for its own negligence or default.

Section 11.06

The CORPORATE TRUSTEE shall at all times be protected in acting upon any notice, resolution, request, consent, order, certificate, statement, opinion, bond, coupon, or other paper or document believed to be genuine and to have been signed by the proper party or parties.

Section 11.07

The CORPORATE TRUSTEE may at any time resign and be discharged of its duties and obligations hereunder by giving to the TRUSTEES written notice of such resignation, specifying a date (not later than 60 days after such notice) when such resignation shall take effect, and by publication of a copy of such notice at least once prior to such date in a financial journal published in the City of New York, such publication to be not less than 30 days prior to such date. Such resignation shall take effect upon the date specified in such notice unless previously a successor shall

have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment and qualification of such successor.

Section 11.08

(1) The CORPORATE TRUSTEE may be removed at any time by any court of competent jurisdiction upon application therefor made on behalf of not less than 50% of the principal amount of BONDS and ADDITIONAL BONDS at such time outstanding.

(2) The CORPORATE TRUSTEE may likewise be removed at any time by the TRUSTEES with the consent and approval of not less than 50% of the principal amount of the BONDS and ADDITIONAL BONDS at such time outstanding.

Section 11.09

In case at any time the CORPORATE TRUSTEE shall resign, or be removed or become incapable of acting, or be adjudged a bankrupt or insolvent, or a receiver of its property shall be appointed, or any public officer shall take charge or control of its property or affairs, a successor thereto shall be promptly appointed by a resolution of the TRUSTEES duly adopted. Such successor shall in all instances be a bank duly chartered pursuant to the laws of the United States or of the State of South Carolina, and shall have a combined working capital and surplus of not less than \$2,000,000.

Immediately following such appointment the TRUSTEES shall give written notice of such appointment to the PAYING AGENT and shall promptly publish notice thereof, at least once in a financial journal published in the City of New York.

Section 11.10

If, in a proper case, no appointment of a successor CORPORATE TRUSTEE shall be promptly made pursuant to Section 11.09, any BONDHOLDER may make application to any court of competent jurisdiction for the appointment of a successor and said court may thereupon, after such notice, if any, as such court may prescribe, appoint a successor.

Section 11.11

Any successor CORPORATE TRUSTEE appointed hereunder shall execute and deliver to its predecessor and to the TRUSTEES a written acceptance of such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become dully vested with all moneys, estates, properties, rights, powers, duties and obligations of its predecessor hereunder with like effect as if originally named as such CORPORATE TRUSTEE, and its predecessor shall be obligated to pay over, transfer, assign and deliver all moneys, securities and other property held by it to its successor, and on the written request of the TRUSTEES, or the successor, shall execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may be reasonably required for the vesting and confirming in such successor all the right, title and interest of the predecessor in and to any property held by it.

Section 11.12

Any bank into which the CORPORATE TRUSTEE may be merged, or with which it may be consolidated, or any bank resulting from any merger or consolidation to which it shall be a party, or any

bank to which the CORPORATE TRUSTEE may sell or transfer all or substantially all of its business, shall become the successor without the execution or filing of any paper or the performance of any further act; PROVIDED, ALWAYS, that if the TRUSTEES shall be dissatisfied with the institution resulting from the merger, consolidation or other action spoken of above, then the TRUSTEES may at any time within thirty days after such action name a new CORPORATE TRUSTEE (with the qualifications prescribed by Section 11.09) in lieu of the CORPORATE TRUSTEE then acting.

Section 11.13

Unless the same be secured as trust funds in the manner provided by Section 9.10 of Regulation 9 issued by the Comptroller of the Currency of the United States of America (12 CFR 9), all funds in the custody of the CORPORATE TRUSTEE, in excess of the amount of such deposit insured by the Federal Deposit Insurance Corporation, shall be secured and kept secured by direct obligations of the United States of America of a market value at least equal to the sum on deposit and not insured as aforesaid by the Federal Deposit Insurance Corporation.

Section 11.14

All securities which shall be given to secure any fund as required by the provisions of this Article, shall be placed in the custody of a duly chartered bank, other than the CORPORATE TRUSTEE, which is a member of the Federal Deposit Insurance Corporation. Such other bank shall have a combined working capital and surplus of not less than One Million Dollars.

ARTICLE XII

APPOINTMENT OF PAYING AGENTS

Section 12.01

Prior to the delivery of any series of BONDS or ADDITIONAL BONDS, a PAYING AGENT (which may be one or more financial institutions approved by the TRUSTEES) shall be appointed for such series.

In the event the PAYING AGENT shall resign, or be removed or become incapable of acting, or be adjudged a bankrupt or insolvent, or a receiver of its property shall be appointed, or any public officer shall take charge or control of its property or affairs, a successor thereto shall be promptly appointed by resolution of the TRUSTEES duly adopted. Such successor shall in all instances be a bank duly chartered pursuant to the laws of the United States or of the State of South Carolina and shall have a combined working capital and surplus of not less than Five Million Dollars. Immediately following such appointment, the TRUSTEES shall promptly publish notice of the same, at least twice with an interval of not less than seven days between publications, in a financial journal published in the City of New York.

If, in a proper case, no appointment of a successor PAYING AGENT shall be promptly made pursuant to this ARTICLE, any BONDHOLDER may make application to any court of competent jurisdiction for the appointment of a successor and said court may thereupon, after such notice, if any, as such court may prescribe, appoint a successor PAYING AGENT.

ARTICLE XIII

DISPOSITION OF PAID BONDS, ADDITIONAL BONDS AND COUPONS

Section 13.01

It shall be the duty of the PAYING AGENT to cancel all BONDS and ADDITIONAL BONDS which shall have been paid, whether upon their maturity or redemption prior to maturity, all coupons that have been paid, and all unmatured coupons on BONDS and ADDITIONAL BONDS redeemed prior to their stated maturities; such cancellation shall be done in such fashion as to render such BONDS, ADDITIONAL BONDS or coupons incapable of further negotiation or hypothecation. Whenever so requested by the TRUSTEES, the PAYING AGENT shall cause the destruction of such bonds and coupons by cremation. In any event it shall furnish appropriate certificates to the TRUSTEES indicating the disposition of such bonds and coupons.

ARTICLE XIV

STATUTORY LIEN AND RECEIVER

Section 14.01

For the further protection of the HOLDERS of BONDS and ADDITIONAL BONDS, a statutory lien upon the FACILITIES is hereby created and granted as provided in the ENABLING ACT, which said statutory lien is hereby recognized as valid and binding upon the TRUSTEES and said FACILITIES, and shall take effect immediately upon the delivery of any BONDS.

Section 14.02

If there be any default in the payment of the principal of or interest on any BONDS or ADDITIONAL BONDS outstanding, any

court having jurisdiction in any proper action may appoint a receiver to administer and operate the said FACILITIES, with power to fix rentals and charges for the said FACILITIES, sufficient to provide for the payment of such bonds and the interest thereon, and for the payment of the expenses of operating and maintaining such FACILITIES, and to apply the income and revenues of such FACILITIES to the payment of such bonds and the interest thereon.

ARTICLE XV

MODIFICATION BY THE COLLEGE OF THE RESOLUTION OF
1970

Section 15.01

For any one or more of the following purposes and at any time or from time to time, a resolution of the TRUSTEES supplementing the RESOLUTION OF 1970 may be adopted which resolution shall be fully effective in accordance with its terms:

1. To close the RESOLUTION OF 1970 against, or provide limitations and restrictions in addition to, the limitations and restrictions contained in the RESOLUTION OF 1970, on the issuance, in the future of ADDITIONAL BONDS.
2. To add to the covenants and agreements of the TRUSTEES in the RESOLUTION OF 1970, other covenants and agreements thereafter to be observed relative to the acquisition, construction, operation, maintenance, reconstruction or administration of all or any part of the FACILITIES or relative to the application, custody, use and disposition of the proceeds of any ADDITIONAL BONDS.

3. To surrender any right, power, or privilege reserved to or conferred upon the TRUSTEES or the COLLEGE by the RESOLUTION OF 1970.

4. To authorize the issuance of BONDS or ADDITIONAL BONDS pursuant to or in conformity with the RESOLUTION OF 1970.

5. To cure, correct or remove any ambiguity or inconsistent provisions contained in the RESOLUTION OF 1970.

ARTICLE XVI

MODIFICATION OF RESOLUTION OF 1970 WITH APPROVAL
OF BONDHOLDERS

Section 16.01

The rights and duties of the TRUSTEES and the BONDHOLDERS, and the terms and provisions of the RESOLUTION OF 1970, may be modified or altered in any respect by resolution of the TRUSTEES with the consent of the HOLDER or HOLDERS of sixty-six and two-thirds per centum (66-2/3%) in principal amount of the BONDS and ADDITIONAL BONDS then outstanding, such consent to be evidenced by an instrument or instruments executed in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the TRUSTEES and the PAYING AGENT, but no such modification or alteration shall:

1. Extend the maturity of any payment of principal or interest due upon BONDS or ADDITIONAL BONDS; PROVIDED, ALWAYS, that the provisions of this covenant shall not affect the right of the TRUSTEES to issue refunding bonds payable from the ENTIRE REVENUES, if such refunding bonds be issued in conformity with the provisions of ARTICLE V.

2. Effect a reduction in the amount which the COLLEGE is required to pay by way of principal, interest or redemption premium.
3. Effect a change as to the type of currency in which the COLLEGE is obligated to effect payment of the principal, interest and redemption premium of any BONDS or ADDITIONAL BONDS.
4. Permit the creation of a lien on the revenues of the FACILITIES prior to or equal to the BONDS or ADDITIONAL BONDS, except as authorized by the RESOLUTION OF 1970.
5. Permit preference or priority of any BONDS or ADDITIONAL BONDS to others.
6. Alter or modify those provisions of Article VII prescribing the amounts and occasions when payments must be made to the DEBT SERVICE FUND and to the DEBT SERVICE RESERVE FUND, or
7. Reduce the percentage of BONDS or ADDITIONAL BONDS required for the written consent to any modification or alteration of the provisions of the RESOLUTION OF 1970.

ARTICLE XVII

EVENTS OF DEFAULT

Section 17.01

Each of the following events is hereby declared an "Event of Default", that is to say, if:

1. Payment of the principal of any of the BONDS or ADDITIONAL BONDS shall not be made when the same shall become due and payable, either at its stated maturity or by proceedings for redemption; or

2. Payment of any installment of interest shall not be made when the same becomes due or payable, or within thirty days thereafter; or
3. The TRUSTEES shall, for any reason, be rendered incapable of fulfilling their obligations hereunder; or
4. An Order or Decree shall be entered, with the consent or acquiescence of the TRUSTEES, appointing a Receiver, or Receivers, of the FACILITIES, or of the revenues thereof, or any proceedings shall be instituted, with the consent or acquiescence of the TRUSTEES, for the purpose of effecting a composition between the COLLEGE and its creditors, or for the purpose of adjusting claims of such creditors, pursuant to any Federal or State statute now or hereafter enacted, or if such Order or Decree, having been entered without the consent and acquiescence of the TRUSTEES, shall not be vacated or discharged or stayed on appeal within sixty (60) days after entry thereof, or if such proceedings, having been instituted without the consent or acquiescence of the TRUSTEES, shall not be withdrawn or any orders entered shall not be vacated, discharged or stayed on appeal within sixty (60) days after the institution of such proceedings, or the entry of such orders; or
5. The TRUSTEES shall make a default in the due and punctual performance of any of the covenants, conditions, agreements or provisions contained in the BONDS or ADDITIONAL BONDS, or the RESOLUTION OF 1970, and such default shall continue for thirty (30) days after written notice, specifying such default and requiring same to be remedied, shall have been given to the TRUSTEES by any BONDHOLDER.

ARTICLE XVIII

REMEDIES

Section 18.01

If the COLLEGE shall be adjudged in default as to the payment of any installment of principal or interest upon any PRIOR LIEN BONDS, BONDS, or any ADDITIONAL BONDS, or if it shall be adjudged in default as to the performance of any covenant or undertaking made by it, then, and in every such case, the HOLDERS of not less than fifteen per centum (15%) in principal amount of the BONDS and ADDITIONAL BONDS then outstanding may, by notice in writing to the COLLEGE, declare the principal of all BONDS and ADDITIONAL BONDS then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become due and be immediately due and payable, anything herein contained to the contrary notwithstanding; PROVIDED, HOWEVER, that if at any time after the principal of the BONDS and ADDITIONAL BONDS shall have been so declared to be due and payable, all arrears of interest, if any, upon all the PRIOR LIEN BONDS, BONDS and ADDITIONAL BONDS then outstanding, and all other indebtedness secured hereby (except the principal of any PRIOR LIEN BONDS, BONDS or ADDITIONAL BONDS not then due by their terms, and interest accrued on such BONDS and ADDITIONAL BONDS since the last interest payment date) shall have been paid, or shall have been provided for by deposit with the PAYING AGENT of a sum sufficient to pay the same, and every other default in the observance or performance of any covenant, condition or agreement in the PRIOR LIEN BONDS, BONDS and ADDITIONAL BONDS, or herein contained, shall be made good, or provision therefor satisfactory to the HOLDERS of such PRIOR LIEN BONDS, BONDS and ADDITIONAL BONDS shall have been made, then in every such case, the HOLDERS of not less than fifteen per centum (15%)

in principal amount of the BONDS and ADDITIONAL BONDS then outstanding may, by written notice to the TRUSTEES, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereto.

Section 18.02

Upon the happening and continuance of any event of default, as provided in ARTICLE XVII, then and in every such case, any BONDHOLDER may proceed, subject to the provisions of Section 18.04 of this ARTICLE, to protect and enforce the rights of the BONDHOLDERS hereunder by a suit, action or special proceeding in equity, or at law, either for the appointment of a Receiver of the FACILITIES, as authorized by the RESOLUTION OF 1970 or for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted, or for the enforcement of any proper legal or equitable remedy as such BONDHOLDER shall deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

Section 18.03

In case any proceeding taken by any BONDHOLDER on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such BONDHOLDER, then and in every such case the TRUSTEES and the BONDHOLDERS shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the BONDHOLDERS shall continue as though no such proceeding had been taken.

Section 18.04

No one, or more, BONDHOLDERS secured hereby shall have any right in any manner whatever by his or their action to affect, disturb, or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all HOLDERS of such BONDS, ADDITIONAL BONDS and coupons.

Section 18.05

No remedy conferred herein is intended to be exclusive of any other remedy or remedies, and each and every such remedy or remedies, shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, or by statute.

Section 18.06

No delay or omission of any BONDHOLDER to exercise any right or power accruing upon any default occurring and continuing as aforesaid, shall impair any such default or be construed as an acquiescence therein; and every power and remedy given by this ARTICLE to the BONDHOLDERS, respectively, may be exercised from time to time and as often as may be deemed expedient.

ARTICLE XIX

DISPOSITION OF PROCEEDS OF SALE OF BONDS
OR ADDITIONAL BONDS

Section 19.01

Whenever BONDS or ADDITIONAL BONDS have been issued pursuant to the RESOLUTION OF 1970, their proceeds shall be disposed of in the manner prescribed by the resolution supplementing the RESOLUTION OF 1970, but in all events any accrued interest received at the sale of any BONDS or ADDITIONAL BONDS shall be

deposited in the DEBT SERVICE FUND, and any premium received from the sale of BONDS or ADDITIONAL BONDS shall be deposited in the DEBT SERVICE FUND.

ARTICLE XX

METHOD OF DETERMINING BONDHOLDERS
OF ADDITIONAL BONDHOLDERS

Section 20.01

Any consent, request, direction, approval, waiver, objection or other instrument required by the RESOLUTION OF 1970 to be signed and executed by the BONDHOLDERS may be in any number of concurrent writings of similar tenor and may be signed or executed by such BONDHOLDERS in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of BONDS, if made in the following manner, shall be sufficient for any of the purposes of the RESOLUTION OF 1970, and shall be conclusive in favor of the TRUSTEES, the CORPORATE TRUSTEE, and the PAYING AGENT with regard to any action taken under such request or other instrument, namely:

- (a) The fact and date of the execution by any person of any such request, consent or other instrument of writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgements of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership such affidavit or certificate shall also constitute

sufficient proof of his authority.

(b) The amount of BONDS, transferable by delivery held by any person executing any such request, consent or other instrument or writing as a BONDHOLDER, and the distinguishing numbers of the BONDS held by such person, and the date of his holding the same may be proved by a certificate executed by any trust company, bank, banker, or other depository (wherever situated), showing that at the date therein mentioned such person had on deposit with depository, or exhibited to it, the BONDS therein described, or such facts may be proved by the certificate or affidavit of the person executing such request, consent, or other instrument or writing as a BONDHOLDER.

The TRUSTEES, the CORPORATE TRUSTEE and the PAYING AGENT may conclusively assume that such ownership continues until written notice to the contrary is served upon the TRUSTEES.

(c) The ownership of BONDS registered as to principal or fully registered shall be proved by the register of such BONDS.

(d) Any request, consent or vote of the holder of any BOND shall bind every future holder of the same BOND and the holder of every BOND issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done in pursuance of such request, consent or vote.

ARTICLE XXI

DEFEASANCE

Section 21.01

If all of the BONDS and ADDITIONAL BONDS, and coupons representing interest thereon, issued pursuant to the RESOLUTION OF 1970 and all resolutions amendatory or supplemental thereto, shall have been paid and discharged, then the obligations of the TRUSTEES under the RESOLUTION OF 1970, the pledge of revenues made thereby, and all other rights granted thereby shall cease and determine. BONDS, ADDITIONAL BONDS and coupons shall be deemed to have been paid and discharged within the meaning of this ARTICLE under each of the following circumstances, viz:

(1) The PAYING AGENT shall hold, at the stated maturities of the BONDS, ADDITIONAL BONDS and coupons, in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof; or

(2) If default in the payment of the principal of such BONDS, ADDITIONAL BONDS, or the interest thereon, shall have occurred on the stated maturities of such BONDS, ADDITIONAL BONDS, or coupons, and thereafter tender of such payment shall have been made, and the PAYING AGENT shall hold in trust for and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(3) If the TRUSTEES shall elect to redeem the BONDS or ADDITIONAL BONDS prior to their stated maturities, and shall have irrevocably bound and obligated itself to give notice of redemption thereof in the manner provided by the RESOLUTION OF 1970 and shall have deposited with the PAYING AGENT, in an irrevocable trust, the aggregate of all sums to become due on the BONDS or

ADDITIONAL BONDS to the first available redemption date, by way of principal, interest and redemption premium (if any). And if the TRUSTEES, having elected to redeem the BONDS or ADDITIONAL BONDS prior to their stated maturities, shall have complied with the conditions set forth in the preceding sentence of this paragraph (3), then under such circumstances the existence of, or the debt service requirements of, such BONDS OR ADDITIONAL BONDS shall be disregarded in determining whether the TRUSTEES shall comply with the provisions of ARTICLE V relating to the issuance of ADDITIONAL BONDS.

Section 21.02

Any moneys which at any time shall be deposited with the PAYING AGENT, by or on behalf of the TRUSTEES, for the purpose of paying and discharging any BONDS, ADDITIONAL BONDS, or coupons, shall be and are hereby assigned, transferred and set over to the PAYING AGENT in trust for the respective HOLDERS of the BONDS, ADDITIONAL BONDS or coupons, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge of said BONDS, ADDITIONAL BONDS or coupons shall no longer be entitled to enforce payment of their obligations, then, in such event, it shall be the duty of the PAYING AGENT to forthwith return said funds to the TRUSTEES.

Section 21.03

The TRUSTEES covenant and agree that any moneys which it shall deposit with the PAYING AGENT shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of this ARTICLE.

ARTICLE XXII

TENOR OF OBLIGATIONS

Section 22.01

Every covenant, undertaking and agreement made on behalf of the COLLEGE by the TRUSTEES, as set forth in the RESOLUTION OF 1970, is made, undertaken, and agreed to, for the proper securing of the payment of the principal of and interest on the BONDS and ADDITIONAL BONDS. Each shall be deemed to partake of the obligation of the contract between the TRUSTEES and the BONDHOLDERS and shall be enforceable accordingly.

ARTICLE XXIII

SAVING CLAUSE

Section 23.01

If any section, paragraph, clause or provision of the RESOLUTION OF 1970 shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the RESOLUTION OF 1970.

ARTICLE XXIV

REPEALING CLAUSE

Section 24.01

All resolutions, or parts thereof, inconsistent herewith be, and the same are hereby, repealed to the extent of such inconsistencies.

ARTICLE XXV

MULTIPLE EXECUTION

Section 25.01

The RESOLUTION OF 1970 has been prepared and is being

executed in several counterparts, each of which is an original and all of which are identical. Each counterpart so executed shall be deemed an original of the RESOLUTION OF 1970 and all counterparts thereof are to be deemed but one instrument.

Done at _____, South Carolina, this
_____ day of September, A. D. 1970.

(SEAL)

Chairman of the State College Board
of Trustees

Attest:

Secretary of the State College
Board of Trustees

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