

MINUTES OF BUDGET AND CONTROL BOARD MEETINGS

OCTOBER 30 THROUGH NOVEMBER 9, 1962

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The State Budget and Control Board met in the State Auditor's Office on Tuesday, October 30, at 10:30 A. M. The purpose of this meeting was to begin hearings on the 1963-64 appropriation requests.

Governor-elect Donald S. Russell sat with the Board on all of these hearings with the possible exception of one or two days on which he had other appointments.

The following departments appeared before the Board at this meeting and discussed the budgets they had submitted:

Attorney General
Adjutant General
Wildlife Resources Department
State Dairy Commission
State Penitentiary
S. C. State College
State Department of Education

Wednesday, October 31, 1962

The Board reconvened and the following departments and institutions appeared to discuss their budgets at this meeting:

State Department of Public Welfare
The Opportunity School
John de la Howe School
School for the Deaf and the Blind
Educational Finance Commission
Mental Health Commission
State Hospital
Pineland Training School

Thursday, November 1, 1962

The Board reconvened at 10:00 A. M. and the following departments and institutions were heard during this day:

The S. C. Sanatorium
Whitten Village
University of South Carolina
Clemson College

The Board adopted at this meeting a resolution presented by the Clemson Board authorizing the construction of a Woman's Dormitory at a cost of approximately \$600,000.00. This resolution is filed along with other similar papers in the office of the State Auditor.

Friday, November 2, 1962

The Board reconvened at 10:00 A. M. and heard the following departments and institutions during this meeting:

The Archives Departments
The Insurance Commission
The Industrial Commission
The Aeronautics Commission
Educational Television Commission
State Service Bureau
The State Library Board
The State Employees Association
The State Agency for Vocational Rehabilitation

At this meeting the Board authorized an allocation from the Civil Contingent Fund of \$150.00 to the Archives Department to cover expenses incurred in opening the Archives Department building to the public for inspection a short time previous to this meeting.

Wednesday, November 7, 1962

The Board reconvened at 10:30 A. M. and heard the following departments and institutions at this meeting:

The Citadel
State Industrial Schools' Board
S. C. Industrial School for Boys
S. C. Industrial School for Girls
John G. Richards Industrial School
Industrial School for Negro Girls
Winthrop College
State Department of Agriculture
State Board of Health

At this meeting the Agricultural Commissioner advised the Board that applications had been received by him for bonded warehouses by a number of cotton mills in the State, where it was contemplated that State Warehouse receipts would be issued to them for cotton held and stored for manufacturing purposes, and he asked for a decision from the Budget and Control Board as to whether or not this type of business should be undertaken by the department. After some discussion the Board deferred a decision on the matter but agreed to take it up at a subsequent meeting and advise the Commissioner of its decision.

Thursday, November 8, 1962

The Board reconvened at 10:00 A. M. and heard the following departments and institutions:

The S. C. Tax Commission
State Forestry Commission
The State Medical College
The S. C. Alcoholic Center
The Public Service Commission
The Advisory Commission for Technical Training

Friday, November 9, 1962

The Board reconvened at 10:00 A. M. and heard the following departments and institutions:

The State Development Board
The Children's Bureau
The Board of Bank Control
The S. C. Education Association
The S. C. Congress of Parents & Teachers
The S. C. Association of School Boards
The Soft Drink Bottlers Association

At this meeting the Board agreed to discontinue its policy of reimbursing members of the Uniform State Laws Commission for expenses incurred in attending conventions of this agency. It had been the policy of the Board to pay up to \$200.00 each for expenses incurred in attending these meetings.

The Board then adjourned, to meet again on November 21.

*See Budget & Control Board
Minutes & meeting*

*ed 20
1962*

A RESOLUTION

MAKING PROVISION FOR THE ISSUANCE OF \$1,500,000 OF NOTES OF THE STATE OF SOUTH CAROLINA, WHOSE PROCEEDS ARE TO BE EXPENDED FOR THE PURPOSES ENUMERATED IN ACT NO. 906 OF THE ACTS OF THE GENERAL ASSEMBLY OF THE STATE OF SOUTH CAROLINA FOR THE YEAR 1960.

As an incident to the adoption of this Resolution the State Budget and Control Board of the State of South Carolina finds as a matter of fact:

1. Act No. 906 of the Acts of the General Assembly of the State of South Carolina for the year 1960, entitled "AN ACT TO AUTHORIZE THE CONSTRUCTION OF A LAUNDRY AT THE STATE PENITENTIARY; TO PROVIDE FOR THE BORROWING OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS TO DEFRAY THE COST OF CONSTRUCTING AND EQUIPPING SUCH LAUNDRY AND TO APPROPRIATE THE SUM OF FIFTY THOUSAND DOLLARS FOR THE EMPLOYMENT OF CERTAIN PERSONNEL AT THE PENITENTIARY FOR THE FISCAL YEAR 1960-1961," Approved the 24th day of May, 1960 (hereinafter called the "Enabling Act"), provides that a laundry facility for the State Penitentiary shall be constructed on State property in or near the City of Columbia, South Carolina, under the supervision of the Board of Directors of the State Penitentiary, but in accordance with regulations to be prescribed by the State Budget and Control Board, and the use of the facility may be made available to other State institutions under such terms and conditions as the State Budget and Control Board shall prescribe.

2. By the terms of the Enabling Act the Governor and State Treasurer of the State of South Carolina are empowered to issue Notes of the State to the extent of not exceeding \$1,500,000 in order to provide funds to defray a portion of the cost of the construction and equipping of said laundry facility, such Notes to be sold in such series, at such times, in such amounts, under such conditions, and on such terms as the State Budget and Control Board shall prescribe, within the limitations of Section 4 of the Enabling Act.

3. The State Budget and Control Board of the State of South Carolina (hereinafter called the "Board") has made a careful investigation and survey of the cost of such construction,

and has for itself determined that expenditures in the aggregate amount authorized are required therefor.

4. The Board has determined that it must raise through the means of the authorizations of the Enabling Act the sum of \$1,500,000, and that Notes, to mature as provided herein and to bear interest at the rate of 4-1/2% per annum, payable semi-annually, shall be issued.

5. It is provided by the Enabling Act that the principal of and interest on the Notes so authorized shall be payable in the first instance from moneys which are earned by the State Penitentiary from the Manufacture of South Carolina Motor Vehicle License tags and from the net earnings anticipated to be derived from the operation of the laundry facility, but in order to insure the marketability of the Notes and the adequacy of their security, that the Notes shall be further secured by a pledge of the revenues derived from the tax imposed pursuant to Article 1, Chapter 11, Title 65, Code of Laws of South Carolina, 1952, as amended (Sections 65-901 et seq.).

6. The Board, in its capacity as Trustee of the funds of the South Carolina retirement system, is the owner and holder of the following obligations which are themselves secured by a pledge of the revenues derived from the tax imposed pursuant to Article 1, Chapter 11, Title 65, Code of Laws of South Carolina, 1952, as amended (Sections 65-901 et seq.), viz:

- (1) \$1,275,000 of an original issue of \$2,125,000 of Notes of the State of South Carolina, issued pursuant to Act No. 473 of the Acts of 1957, dated February 1, 1958, and maturing in equal annual instalments of \$212,500 on the 1st day of February in each of the years 1963 to 1968, inclusive;
- (2) \$140,000 of an original issue of \$200,000 of Notes of the State of South Carolina, issued pursuant to Act No. 473 of the Acts of 1957, as amended by Act No. 855 of the Acts of 1958, dated July 1, 1959, and maturing \$20,000 on the 1st day of July in each of the years 1963 to 1969, inclusive.

The obligations described above are secured by a first and prior pledge of the revenues derived from the tax above recited.

- (3) \$400,000 of an original issue of \$600,000 of Notes of the State of South Carolina, issued pursuant to Act No. 466 of the Acts of 1957, dated October 1, 1957, and maturing in equal annual instalments of \$40,000 on the 1st day of October in each of the years 1963 to 1972, inclusive; and
- (4) \$260,000 of an original issue of \$300,000 of Notes of the State of South Carolina, issued pursuant to Act No. 905 of the Acts of 1960, dated August 1, 1960, and maturing in equal annual instalments of \$20,000 on the 1st day of August in each of the years 1963 to 1975, inclusive.

The obligations described in Paragraphs (3) and (4) above are secured by a pledge of the revenues derived from the tax above recited, but it is provided in each Act and the proceedings authorizing their respective issuance that "the pledge of revenues from the tax shall not preclude the issuance by the State of further obligations secured in whole or in part by a pledge of such revenues on a parity with the pledge" therein made.

7. The Board, in its capacity as Trustee of the funds of the South Carolina Retirement System, in order to make all obligations held by it and secured in whole or in part by the pledge of revenues derived from the tax imposed pursuant to Article 1, Chapter 11, Title 65, Code of Laws of South Carolina, 1952, as amended (Sections 65-901 et seq.) on a parity inter sese, has agreed that the pledge of said revenues purported to be a first and prior pledge, as to the Notes described in Paragraphs (1) and (2) of the preceding Paragraph shall be on a parity with the pledge securing the obligations described in Paragraphs (3) and (4) above and with the pledge hereafter made to secure the Notes whose issuance is provided for by this Resolution.

8. The Board in its capacity as Trustee of the funds of the South Carolina Retirement System, proposes to effect the purchase of said Notes at par, plus accrued interest, said Notes to bear interest at the rate of four and one-half per centum (4-1/2%) per annum as herein provided.

9. By virtue of all of the foregoing, the Board is minded and intends to accomplish, through the adoption of this Resolution, the following:

- (1) To authorize and effect the issuance of \$1,500,000 of Notes authorized by Act No. 906 of the Acts of the General Assembly of the State of South Carolina for the year 1960;
- (2) To effect the purchase of the Notes now authorized, by itself in its capacity as Trustee of the funds of the South Carolina retirement system, as an investment of moneys for such funds;
- (3) To consent that the pledge of revenues derived from the tax imposed pursuant to Article 1, Chapter 11, Title 65, Code of Laws of South Carolina, 1952, as amended (Sections 65-901 et seq.), made to additionally secure the payment of the Notes now issued pursuant to Act No. 906 of the Acts of 1960, shall be on a parity with the pledges heretofore made to secure all of the now outstanding Notes described in Paragraph 6 above;
- (4) To prescribe the form of Notes to be issued pursuant to Act No. 906 of the Acts of 1960, and to direct the manner of the expenditures of their proceeds, and to make provision for the payment of the principal of and interest on said notes; and
- (5) To prescribe a form of written statement to be placed upon all of the now outstanding Notes described in Paragraph 6 above, so as to reflect the fact that the pledge of revenues derived from the tax imposed pursuant to Article 1, Chapter 11, Title 65, Code of Laws of South Carolina, 1952, as amended (Sections 65-901 et seq.), securing said Notes has been declared to be on a parity with the pledge of revenues derived from the aforesaid tax additionally securing the Notes herein authorized.

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

SECTION 1.

Pursuant to the provisions of Act No. 906 of the Acts of 1960, the State Budget and Control Board authorizes and empowers the Governor and State Treasurer to issue \$1,500,000 of Notes of the State of South Carolina (herein called "Penitentiary Notes"), whose proceeds shall be expended to defray a portion of the cost of constructing and equipping a laundry facility for the State Penitentiary on State property in or near the City of Columbia, South Carolina.

SECTION 2.

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

SECTION 3.

Said Penitentiary Notes shall be dated November 1, 1962, shall bear interest at the rate of four and one-half per centum (4-1/2%) per annum, payable on the first days of May and November of each year, beginning May 1, 1963, and shall mature

in annual instalments on November 1 in the years and in the amounts set forth below, as follows, viz:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1964	\$122,000	1969	\$152,000
1965	\$128,000	1970	\$159,000
1966	\$133,000	1971	\$166,000
1967	\$139,000	1972	\$174,000
1968	\$146,000	1973	\$181,000

SECTION 4.

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

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

SECTION 5.

Payment of interest and instalments of principal of said Penitentiary Notes and portions thereof (if the privilege of prepayment be exercised) shall be effected by check or draft drawn by the State Treasurer. Such payments shall be effected by the use of funds pledged for the payment of the principal and interest of the Notes. All payments of principal and interest shall be duly endorsed upon the payment record appended to said registered Note.

SECTION 6.

If hereafter, and pursuant to the right granted to the holder of said registered Note, it shall cause the same to be converted into coupon form, then in such instance all payments

in annual instalments on November 1 in the years and in the amounts set forth below, as follows, viz:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1964	\$122,000	1969	\$152,000
1965	\$128,000	1970	\$159,000
1966	\$133,000	1971	\$166,000
1967	\$139,000	1972	\$174,000
1968	\$146,000	1973	\$181,000

SECTION 4.

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

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

SECTION 5.

Payment of interest and instalments of principal of said Penitentiary Notes and portions thereof (if the privilege of prepayment be exercised) shall be effected by check or draft drawn by the State Treasurer. Such payments shall be effected by the use of funds pledged for the payment of the principal and interest of the Notes. All payments of principal and interest shall be duly endorsed upon the payment record appended to said registered Note.

SECTION 6.

If hereafter, and pursuant to the right granted to the holder of said registered Note, it shall cause the same to be converted into coupon form, then in such instance all payments

of principal and interest shall be payable at the office of the State Treasurer in the City of Columbia, State of South Carolina, or, at any agency of the State of South Carolina, in the City of New York, State of New York. The right to effect prepayment of Penitentiary Notes issued in coupon form shall continue and the method of giving notice of the right to redeem shall be hereafter prescribed by the State Budget and Control Board in proceedings to be adopted providing for the conversion of such Penitentiary Notes into coupon form.

SECTION 7.

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

SECTION 8.

For the payment of the principal of and interest on said Penitentiary Notes there are hereby pledged:

- (a) all net revenues derived from the operation of the laundry facility; and
- (b) such net revenues as may be derived by the State Penitentiary from the manufacture of State Motor Vehicle License Tags.

All moneys so derived shall be collected by the Treasurer of South Carolina State Penitentiary, or his deputies or agents, and shall be remitted monthly to the State Treasurer, who shall

cause the same to be deposited in a special fund applicable solely to the payment of the principal and interest of such Penitentiary Notes, as the same respectively mature. Moneys in such fund may be invested or reinvested in direct obligations of the United States of America and said fund shall be applied solely to effect the payment of the principal and interest of all Penitentiary Notes issued pursuant to the Enabling Act.

To additionally secure the payment of the principal and interest of the Penitentiary Notes issued pursuant to the Enabling Act, there is hereby pledged so much of the revenue as may be derived from the tax imposed pursuant to Article 1, Chapter 11, Title 65, Code of Laws of South Carolina, 1952, as amended (Sections 65-901 et seq.), is hereby declared to be on a parity with the following existing pledges:

(a) The pledge heretofore made to secure the now outstanding \$1,275,000 of an original issue of \$2,125,000 of Notes of the State of South Carolina, issued pursuant to Act No. 473 of the Acts of 1957, dated February 1, 1958, and maturing in equal annual instalments of \$212,5000 on the 1st day of February in each of the years 1963 to 1968, inclusive;

(b) The pledge heretofore made to secure the now outstanding \$140,000 of an original issue of \$200,000 of Notes of the State of South Carolina, issued pursuant to Act No. 473 of the Acts of 1957, as amended by Act No. 855 of the Acts of 1958, dated July 1, 1959, and maturing \$20,000 on the 1st day of July in each of the years 1963 to 1969, inclusive;

(c) The pledge heretofore made to secure the now outstanding \$400,000 of an original issue of \$600,000 of Notes of the State of South

Carolina, issued pursuant to Act No. 466 of the Acts of 1957, dated October 1, 1957, and maturing in equal annual instalments of \$40,000 on the 1st day of October in each of the years 1963 to 1972, inclusive; and

(d) The pledge heretofore made to secure the now outstanding \$260,000 of an original issue of \$300,000 of Notes of the State of South Carolina, issued pursuant to Act No. 905 of the Acts of 1960, dated August 1, 1960, and maturing in equal annual instalments of \$20,000 on the 1st day of August in each of the years 1963 to 1975, inclusive.

Whenever funds derived from the sources first above mentioned shall be insufficient to effect the punctual payment of the principal of and interest on the Penitentiary Notes, the State Treasurer shall forthwith withdraw from the moneys derived from the tax levied pursuant to Article 1, Chapter 11, Title 65, Code of Laws of South Carolina, 1952, as amended (Sections 65-901 et seq.) sufficient moneys to effect the punctual payment of the principal and interest of the Penitentiary Notes; PROVIDED, ALWAYS, that withdrawals from said tax shall be done in such manner as to leave undisturbed the equal right to the use of the revenues from said tax for the payment of principal and interest of all other Notes on a parity with said Penitentiary Notes.

SECTION 9.

The State Budget and Control Board, in its capacity as the owner and holder of the following outstanding Notes, viz.:

- (1) \$1,275,000 of an original issue of \$2,125,000 of Notes of the State of South Carolina, issued pursuant to Act No. 473 of the Acts of 1957, dated February 1, 1958, and maturing in equal annual instalments of \$212,5000 on the 1st day of February in each of the years 1963 to 1968, inclusive;
- (2) \$140,000 of an original issue of \$200,000 of Notes of the State of South Carolina, issued pursuant to Act No. 473 of the Acts of 1957, as amended by Act No. 855 of the Acts of 1958, dated July 1, 1959, and maturing \$20,000 on

the 1st day of July in each of the years 1963 to 1969, inclusive;

- (3) \$400,000 of an original issue of \$600,000 of Notes of the State of South Carolina, issued pursuant to Act No. 466 of the Acts of 1957, dated October 1, 1957, and maturing in equal annual instalments of \$40,000 on the 1st day of October in each of the years 1963 to 1972, inclusive; and
- (4) \$260,000 of an original issue of \$300,000 of Notes of the State of South Carolina, issued pursuant to Act No. 905 of the Acts of 1960, dated August 1, 1960, and maturing in equal annual instalments of \$20,000 on the 1st day of August in each of the years 1963 to 1975, inclusive,

hereby consents that the pledge additionally securing the Notes hereunder shall be on a parity in all respects with the pledge securing the outstanding Notes now held by it and above described. The State Treasurer is hereby authorized and empowered to place upon the face of each of said Notes, issued pursuant to the Enabling Act, a written statement as follows:

"The pledge of revenues derived from the tax imposed pursuant to Article 1, Section 11, Title 65, Code of Laws of South Carolina, 1952, as amended (Sections 65-901 et seq.) has been placed on a parity with a pledge made to additionally secure the \$1,500,000 of Notes dated November 1, 1962.

State Treasurer"

SECTION 10.

The form of said Penitentiary Notes as originally issued in fully registered form shall be as follows:

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
SOUTH CAROLINA STATE PENITENTIARY NOTE
(ISSUED PURSUANT TO ACT NO. 906 OF THE ACTS OF 1960)

NUMBER R-1

\$1,500,000

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

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

ONE MILLION FIVE HUNDRED THOUSAND DOLLARS

on the first day of November in the years and amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1964	\$122,000	1969	\$152,000
1965	\$128,000	1970	\$159,000
1966	\$133,000	1971	\$166,000
1967	\$139,000	1972	\$174,000
1968	\$146,000	1973	\$181,000

and to pay to the registered holder hereof interest on the balance of said principal sum from time to time remaining unpaid, at the rate of four and one-half per centum (4-1/2%) per annum, payable semi-annually on May 1 and November 1 of each year, commencing May 1, 1963, until the principal amount hereof has been fully paid. Both the principal of and interest on this Note are payable in any coin or currency which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts, by check or draft issued by the State Treasurer of the State of South Carolina to the registered holder hereof.

THIS NOTE, designated as SOUTH CAROLINA STATE PENITENTIARY NOTE, is issued pursuant to and in accordance with the Constitution and Laws of the State of South Carolina, in-

cluding particularly the provisions of Act No. 906 of the Acts of the General Assembly of the State of South Carolina for the year 1960, entitled "AN ACT TO AUTHORIZE THE CONSTRUCTION OF A LAUNDRY AT THE STATE PENITENTIARY; TO PROVIDE FOR THE BORROWING OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS TO DEFRAY THE COST OF CONSTRUCTING AND EQUIPPING SUCH LAUNDRY AND TO APPROPRIATE THE SUM OF FIFTY THOUSAND DOLLARS FOR THE EMPLOYMENT OF CERTAIN PERSONNEL AT THE PENITENTIARY FOR THE FISCAL YEAR 1960-1961," Approved the 24th day of May, 1960 (hereinafter called the "Enabling Act"), and Resolutions duly adopted by the State Budget and Control Board of South Carolina, for the purpose of raising moneys to defray a portion of the cost of constructing and equipping a laundry facility for the State Penitentiary on State property in or near the City of Columbia.

In addition to the instalments of principal required to be paid as hereinabove set forth, the right is reserved to the State of South Carolina to prepay on November 1, 1966, and all subsequent interest payment dates, instalments of principal in inverse chronological order, and in multiples of \$1,000, and at the price of 102% (expressed in terms of percentage amount of such prepayment), plus accrued interest to the date of prepayment.

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

THIS NOTE may be assigned and upon such assignment the assignor shall promptly notify the State Treasurer in the City of Columbia, South Carolina, by registered mail, and upon the surrender of this Note to the State Treasurer either in exchange

for a new fully registered Note or for transfer on the registration records and verification of the endorsements made on the Payment Record attached hereto of the portion of the principal amount hereof and interest hereon paid or prepaid, and every such assignee shall take this Note subject to such condition.

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

For the payment of the instalments of principal of and interest on this Note, as the same respectively mature, there are hereby pledged all net revenues derived from the operation of the laundry facility, and such net revenues as may be derived from the manufacture of State Motor Vehicle License Tags. And, in addition thereto, and as further security for the payment of the instalments of principal of and interest on this Note, there is hereby pledged, to the extent related in the aforesaid Resolution of the State Budget and Control Board, so much as may be needed of the revenue derived from the tax imposed pursuant to Article 1, Chapter 11, Title 65, Code of Laws of South Carolina, 1952, as amended (Sections 65-901 et seq.).

The pledge of the revenues derived from the tax imposed pursuant to Article 1, Chapter 11, Title 65, Code of Laws of South Carolina, 1952, as amended (Sections 65-901 et seq.) is on a parity with existing pledges made to secure the following outstanding obligations, viz.:

- (1) \$1,275,000 of an original issue of \$2,125,000 of Notes of the State of South Carolina, issued pursuant to Act No. 473 of the Acts of 1957, dated February 1, 1958, and maturing in equal annual instalments of \$212,500 on the 1st day of February in each of the years 1963 to 1968, inclusive;

- (2) \$140,000 of an original issue of \$200,000 of Notes of the State of South Carolina, issued pursuant to Act No. 473 of the Acts of 1957, as amended by Act No. 855 of the Acts of 1958, dated July 1, 1959, and maturing \$20,000 on the 1st day of July in each of the years 1963 to 1969, inclusive;
- (3) \$400,000 of an original issue of \$600,000 of Notes of the State of South Carolina, issued pursuant to Act No. 466 of the Acts of 1957, dated October 1, 1957, and maturing in equal annual instalments of \$40,000 on the 1st day of October in each of the years 1963 to 1972, inclusive; and
- (4) \$260,000 of an original issue of \$300,000 of Notes of the State of South Carolina, issued pursuant to Act No. 905 of the Acts of 1960, dated August 1, 1960, and maturing in equal annual instalments of \$20,000 on the 1st day of August in each of the years 1963 to 1975, inclusive.

The right is further reserved to issue additional obligations of the State of South Carolina to be authorized by legislation subsequently to be enacted and to be secured by a pledge on a parity with the pledge of revenues derived from the tax imposed pursuant to Article 1, Chapter 11, Title 65, Code of Laws of South Carolina, 1952, as amended (Sections 65-901 et seq.), to the extent and under the conditions related in the Enabling Act.

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

IN WITNESS WHEREOF, the STATE OF SOUTH CAROLINA has caused this NOTE to be signed by the Governor of South Carolina and by the State Treasurer of South Carolina, and has caused the Great Seal of the State to be affixed hereto or impressed

hereon and attested by the Secretary of State, and this Note
to be dated the first day of November, 1962.

Governor

(SEAL)

State Treasurer

Attest:

Secretary of State

FORM OF ASSIGNMENT

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

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

Dated:

<u>Date of</u> <u>Registration</u>	<u>Name of Registered Holder</u>	<u>Signature of State</u> <u>Treasurer or Deputy</u>
November 1, 1962	State Budget and Control Board of South Carolina, As Trustee	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment 4-1/2%	Date Paid	Signature of State Treasurer or his Deputy
May 1, 1963					
Nov. 1, 1963					
May 1, 1964					
Nov. 1, 1964	\$122,000				
May 1, 1965					
Nov. 1, 1965	\$128,000				
May 1, 1966					
Nov. 1, 1966	\$133,000				
May 1, 1967					
Nov. 1, 1967	\$139,000				
May 1, 1968					
Nov. 1, 1968	\$146,000				
May 1, 1969					
Nov. 1, 1969	\$152,000				
May 1, 1970					
Nov. 1, 1970	\$159,000				
May 1, 1971					
Nov. 1, 1971	\$166,000				
May 1, 1972					
Nov. 1, 1972	\$174,000				
May 1, 1973					
Nov. 1, 1973	\$181,000				

SECTION 11.

All resolutions or parts of resolutions inconsistent
herewith are hereby repealed.

*See Budget & Control Board
minutes of meeting* — 0330

THE STATE OF SOUTH CAROLINA.

WHEREAS, pursuant to Act No. 456 of the General Assembly of the State of South Carolina for the year 1961, entitled "AN ACT TO AUTHORIZE THE BOARD OF TRUSTEES OF CLEMSON AGRICULTURAL COLLEGE OF SOUTH CAROLINA TO ACQUIRE ADDITIONAL STUDENT AND FACULTY HOUSING FACILITIES; TO EMPOWER THE BOARD OF TRUSTEES TO EFFECT LOANS FOR SUCH PURPOSES, THROUGH THE ISSUANCE OF REVENUE BONDS AND ALSO FOR THE PURPOSE OF REFUNDING OUTSTANDING BONDS PAYABLE FROM THE REVENUES DERIVED FROM STUDENT AND FACULTY HOUSING FACILITIES, THROUGH THE MEANS OF THE AUTHORIZATIONS OF THIS ACT; TO DEFINE THE PROCEDURE BY WHICH SUCH LOANS MAY BE EFFECTED AND THE COVENANTS AND UNDERTAKINGS TO SECURE THE LOANS; TO MAKE PROVISION FOR THE PAYMENT OF LOANS; AND TO DECLARE VALID CERTAIN BONDS HERETOFORE ISSUED FOR ANY OF SUCH PURPOSES," approved March 29, 1961 (hereinafter in this Resolution referred to as "Act No. 456"), the Board of Trustees of The Clemson Agricultural College of South Carolina (hereinafter in this Resolution referred to as the "Trustees") is empowered to issue bonds of The Clemson Agricultural College of South Carolina (hereinafter in this Resolution referred to as the "College") on a parity with the outstanding bonds of the following issues:

- (1) An issue of \$4,000,000 Barracks Revenue Bonds, dated September 1, 1954 (hereinafter referred to and defined as "PARITY BONDS OF 1954").
- (2) The outstanding bonds of the following issues, which were issued pursuant to Act No. 470 of the Acts of the General Assembly of the State of South Carolina for the year 1957:
 - (a) An issue of \$835,000 Student and Faculty Housing Revenue Bonds, Series of 1958, dated March 1, 1958;
 - (b) An issue of \$775,000 Student and Faculty Housing Revenue Bonds, Series of 1959, dated September 1, 1959; and

(c) An issue of \$890,000 Student and Faculty Housing Revenue Bonds, Series of 1960, dated September 1, 1960.

(The above bonds are hereinafter referred to and defined in this Resolution as "PARITY BONDS UNDER THE ACT OF 1957.")

if the consent of the holders of the PARITY BONDS OF 1954 and the consent of the holders of the PARITY BONDS UNDER THE ACT OF 1957 be obtained in writing; and

WHEREAS, all of the PARITY BONDS OF 1954 and all of the PARITY BONDS UNDER THE ACT OF 1957 are now held by the State Budget and Control Board as Trustee of the South Carolina Retirement System, and the said State Budget and Control Board as Trustee of the South Carolina Retirement System is desirous of evidencing its consent to the issuance of all bonds authorized by Act No. 456; and

WHEREAS, after negotiations, the Trustees of the College, in compliance with the authority vested in it under said Act No. 456, have concluded an agreement to sell to the State Budget and Control Board, in its capacity as Trustee of the funds of the South Carolina Retirement System, at a price of par and accrued interest from the date of the said issue to the date of delivery, a portion of the bonds authorized by said Act No. 456, which portion consists of an issue of Six Hundred Thousand Dollars (\$600,000) of Student and Faculty Housing Revenue Bonds, Series of 1962, of The Clemson Agricultural College of South Carolina, dated September 1, 1962, issued in the form of a single fully registered bond, and maturing on the first day of September in years and amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1963	\$ 12,000	1973	\$ 28,000
1964	12,000	1974	31,000
1965	14,000	1975	37,000
1966	15,000	1976	45,000
1967	16,000	1977	63,000
1968	18,000	1978	101,000
1969	18,000	1979	58,000
1970	20,000	1980	46,000
1971	22,000	1981	10,000
1972	24,000	1982	10,000

Said issue, bearing interest at the rate of four and one-half per centum (4-1/2%) per annum from September 1, 1962, payable semi-annually on March 1st and September 1st of each year hereafter, commencing March 1st, 1963;

Said issue to be secured in the manner set forth in a Resolution adopted by the Trustees of the College on the 26th day of October, 1962, entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF SIX HUNDRED THOUSAND DOLLARS (\$600,000) STUDENT AND FACULTY HOUSING REVENUE BONDS, SERIES OF 1962, OF THE CLEMSON AGRICULTURAL COLLEGE OF SOUTH CAROLINA, DATED SEPTEMBER 1, 1962, AND OTHER MATTERS RELATING THERETO";

and

WHEREAS, as a consequence of the matters hereinabove recited, the Trustees of the College have requested the approval of this Board to the private sale of the issue above recited; and

WHEREAS, this Board has determined that the proposed private sale of the issue above recited to this Board, in its capacity as Trustee of the funds of the South Carolina Retirement System is to the interest of the College, and has determined to grant the approval contemplated by said Act No. 456;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD that its approval be, and the same is hereby, given to the sale by The Clemson Agricultural College of South Carolina to this Board, in its capacity as Trustee of the funds of the South Carolina Retirement System, of the issue described in the recitals hereof, at and for a price of par and accrued interest from September 1, 1962 to the date of delivery.

BE IT FURTHER RESOLVED BY THE STATE BUDGET AND CONTROL BOARD, that this Resolution shall constitute its consent in writing, as Trustee of the funds of the South Carolina Retirement System, and as such Trustee, the owner and holder of all of the PARITY BONDS OF 1954 and all of the PARITY BONDS UNDER THE ACT OF 1957, which written consent is required by said Act No. 456, to the issuance by the College of all bonds

authorized by said Act No. 456 and to the terms and conditions of the Resolution of the College making provision for their issuance; PROVIDED, HOWEVER, that each of said bonds shall have imprinted or stamped thereon by rubber stamp or other appropriate means, the following statement over the facsimile signature of the Secretary of this Board in its capacity as Trustee of the South Carolina Retirement System:

"The undersigned, as the owner and holder of this bond, hereby agrees that this bond and the pledges and covenants securing the same shall be on a parity in all respects with all bonds issued in compliance with the authority given by Act No. 456 of the Acts of the General Assembly of the State of South Carolina for the year 1961, which said Act authorizes the issuance of Student and Faculty Housing Revenue Bonds not exceeding in aggregate \$5,000,000, plus additional bonds issued for the purpose of refunding bonds of Clemson College outstanding at the time of the enactment of Act No. 456, and that the disposition of revenues shall be made in accordance with a Resolution adopted by the Board of Trustees of the College, dated October 26, 1962.

STATE BUDGET AND CONTROL BOARD
as Trustee of the South Carolina
Retirement System
/s/ J. M. Smith
Its Secretary".

BE IT FURTHER RESOLVED BY THE STATE BUDGET AND CONTROL BOARD, in its capacity as Trustee of the funds of the South Carolina Retirement System, and in pursuance of the powers vested in it by Section 61-91, Code of Laws of South Carolina, 1952, that the proposal of the Trustees of the College to sell to said State Budget and Control Board, in its capacity as Trustee aforesaid, at a price of par and accrued interest from the date of said issue to the date of delivery, an issue of Six Hundred Thousand Dollars (\$600,000) of Student and Faculty Housing Revenue Bonds, Series of 1962, of The Clemson Agricultural College of South Carolina, dated September 1, 1962, issued in the form of a single fully registered bond, and having such maturities and terms and conditions as hereinabove set forth; said issue to be secured in the manner set forth in the Resolution adopted by the Trustees of the College on the

26th day of October, 1962, entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF SIX HUNDRED THOUSAND DOLLARS STUDENT AND FACULTY HOUSING REVENUE BONDS, SERIES OF 1962, OF THE CLEMSON AGRICULTURAL COLLEGE OF SOUTH CAROLINA, DATED SEPTEMBER 1, 1962, AND OTHER MATTERS RELATING THERETO," be and the same is hereby accepted.

BE IT FURTHER RESOLVED that upon the delivery of the said bonds to the State Treasurer of the State of South Carolina, for the account of this Board, in its capacity as Trustee aforesaid, payment of the purchase price therefor, viz., par and accrued interest from the date of said bonds to the date of their delivery, be immediately made without further action of this Board.

E N D

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