

AGENDA MATERIALS
AND SUPPORTING DOCUMENTS
FOR THE MEETING OF
MAY 24, 1971

2008-9

MEMORANDUM RECORD

STATE BUDGET AND CONTROL BOARD

MAY 24 1971

Through personal contact the secretary presented the following items to the members of the Board.

UNIVERSITY OF SOUTH CAROLINA - STADIUM BONDS - On May 12, 1971

the University of South Carolina received bids for Stadium Improvement Bonds totaling \$5,000,000.00. The University now asks Board approval to accept the lowest bid and to issue the Bonds in question.

The Board took note of estimates made by University officials as to expected revenues from admissions fees and special student fees which shall be dedicated to the payment of these bonds and found such fees to be adequate.

The Board approved the Resolution pertaining to the issuance of these Stadium Bonds.

UNIVERSITY OF SOUTH CAROLINA - HOUSING REVENUE BONDS

REFUND BY EXCHANGE - The University of South Carolina was an early recipient of Federal funds for the purpose of providing student housing, which funds carried very stringent regulations requiring excessive reserves. In recent years the Federal Government has relaxed its regulations, but the University of South Carolina has continued to be bound by its original contractual agreements, thereby limiting its ability to provide additional student housing.

At the request of the University, Mr. Huger Sinkler has obtained authorization from Federal officials to refund all Student and Faculty Housing Revenue Bonds which are presently held by agencies of the Federal Government, through the issuance of new Bonds. These new issues will reflect the more relaxed rules and regulations.

Mr. Sinkler has also prepared documents to establish an irrevocable trust for the payment of all University of South Carolina Housing Revenue Bonds which are presently held by the public.

The University, through Mr. Sinkler, has now requested that the Board, as trustee of the State Retirement System, permit the refunding of all University of South Carolina Housing Revenue Bonds presently held by the System. This refunding would be accomplished by the exchanging of four new series of Bonds for those presently held. The new issues would provide for the same principal and interest payments as those Bonds being retired. However, the new issues would provide the following:

- (1) Greater ease in disposing of surplus properties.
- (2) Reserve requirements would be reduced from 200 percent of the annual debt service to 100 percent of the annual debt service.
- (3) Federal interest subsidies would be deducted when applying the "Earnings Test".
- (4) A special reserve would be established for payment of publicly held Bonds.

In reviewing the proposed transaction, the Board determined that the interests of the Retirement System were amply protected and, therefore, approved the Resolution permitting the refunding.

may 21 1971

WHEREAS, by the terms and provisions of Act No. 1279 of the Acts of the General Assembly for the year 1970 (the Bond Act), the Trustees of the University of South Carolina (the University) were authorized and empowered to issue not exceeding \$5 Million of bonds of the University, whose proceeds should be applied to the cost of improvements to Carolina Stadium of the University, and

WHEREAS, it is provided by said Act that the bonds may be issued only with the approval of the State Budget and Control Board of South Carolina (the State Board), and

WHEREAS, heretofore notification was given to the State Board of the intention of the University to advertise for bids for the sale of the said bonds, and

WHEREAS, afterwards in pursuance of said advertisement, bids were received by the University on the 12th day of May, 1971, at which time bids shown on the schedule annexed hereto were received, and

WHEREAS, after due consideration, the State Treasurer determined that the bid submitted by White, Weld & Co. and Associates was the most advantageous bid received and should be accepted, subject to the approval of such action by the State Board, and

WHEREAS, the State Board, on the basis of the matters above stated, is minded to adopt this resolution authorizing the Trustees of the University to issue the said bonds on the terms and conditions set forth in the bid of White, Weld & Co. and Associates,

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOARD IN MEETING DULY ASSEMBLED, AS FOLLOWS:

Pursuant to the authorization granted to it by Section 4 of the Bond Act, the State Board authorizes and empowers the Trustees of the University of South Carolina to effect the issuance of \$5,000,000 STADIUM IMPROVEMENT BONDS, SERIES OF 1971, OF THE UNIVERSITY OF SOUTH CAROLINA, to be dated May 1, 1971, to bear interest, to mature and to be subject to redemption in accordance with the terms and conditions of the notice of sale published as aforesaid and the bid submitted by White, Weld & Co. and Associates, and further authorizes that the said bonds may be forthwith printed and when printed, executed and delivered in accordance with the terms of said bid, without further action or approval on the part of the State Board.

EXHIBIT A

BIDS SUBMITTED FOR

\$5,000,000 STADIUM IMPROVEMENT BONDS, SERIES OF
1971, OF THE UNIVERSITY OF SOUTH CAROLINA
DATED: MAY 1, 1971
63,733.33 BOND YEARS - 12.74 YEARS AVERAGE MATURITY
SALE DATE: MAY 12, 1971

BIDDER	RATE	NET INTEREST COST IN DOLLARS	AVERAGE INTEREST COST
WHITE, WELD & CO. TRUST COMPANY OF GEORGIA THE ROBINSON-HUMPHREY CO., INC., and Associates	1973-1979 - 6.00%	\$3,603,858.33	5.654%
	1980 - 5.60%		
	1981-1983 - 5.20%		
	1984 - 5.30%		
	1985 - 5.50%		
	1986 - 5.60%		
	1987 - 5.75%		
	1988 - 5.90%		
	1989-1991 - 6.00%		
	1992 - 5.00%		
	Premium - None		
HARRIS TRUST AND ASSOCIATES By The South Carolina National Bank	1973-1984 - 6.00%	\$3,733,539.00	5.8581%
	1985 - 5.90%		
	1986 - 5.80%		
	1987 - 5.90%		
	1988-1991 - 6.00%		
	1992 - 5.00%		
	Premium - \$869.00		
HALSEY, STUART & CO., INC. and Associates	1973-1980 - 6.25%	\$3,749,179.17	5.8826%
	1981 - 6.00%		
	1982-1983 - 5.40%		
	1984 - 5.60%		
	1985 - 5.70%		
	1986 - 5.80%		
	1987 - 5.90%		
	1988 - 6.00%		
	1989 - 6.10%		
	1990-1991 - 6.20%		
	1992 - 5.25%		
	Premium - \$500.00		
MORGAN GUARANTY TRUST COMPANY of New York, and Associates	1973-1981 - 6.50%	\$3,759,983.00	5.8995%
	1982 - 5.50%		
	1983 - 5.60%		
	1984 - 5.75%		
	1985 - 5.90%		
	1986 - 6.00%		
	1987 - 6.10%		
	1988-1989 - 6.20%		
	1990-1992 - 5.50%		
	Premium - \$317.00		
BLYTH & CO., INC. and Associates	1973-1981 - 6.00%	\$3,863,953.17	6.062688%
	1982 - 5-7/8%		
	1983 - 5.70%		
	1984 - 5.80%		
	1985 - 5.90%		
	1986 - 6.00%		
	1987-1988 - 6.10%		
	1989-1992 - 6.20%		
	Premium - \$138.50		

2013

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

TELEPHONE 722-3366
AREA CODE 803

HUGER SINKLER
CHARLES H. GIBBS
ALBERT SIMONS, JR.
THEODORE B. GUÉRARD
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. HOOD

May 20, 1971

Honorable P. C. Smith
State Auditor
P. O. Box 11333
Columbia, S. C. 29211

Appr. - Patthum & Mills
5/24/71
[Signature]

Dear Pat:

Re: \$5,000,000 Stadium Improvement
Bonds, Series of 1971, of the
University of South Carolina

We will have to have in the record of proceedings which we are preparing in connection with the issuance of the above bonds, formal approval of the State Board to the issuance and sale of such bonds. As you know, the bonds were authorized, insofar as the University is concerned, by a resolution of the Trustees, as set forth in the enclosed brochure. The bonds themselves were advertised in the Daily Bond Buyer and the enclosed Statement was widely circulated throughout the country to members of the financial community. Five bids were received, as set forth in the schedule attached to the enclosed resolution, and on the advice of the State Treasurer, the University awarded (subject to the Board's approval) the bonds to bear interest in accordance with the terms of the bid of White, Weld & Co., and Associates.

I would, therefore, ask that you present the enclosed resolution to the State Board, have it adopted and let me have six certified copies.

Pat
5/25/71
[Signature]

With best wishes,

Sincerely yours,

Huger

HS:mw
Encs.

2014

A RESOLUTION PROVIDING FOR THE
ISSUANCE AND SALE OF STUDENT
AND FACULTY HOUSING REVENUE
BONDS OF THE UNIVERSITY OF
SOUTH CAROLINA

Adopted by the Board of Trustees of the University of
South Carolina on March 29, 1971

2015

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BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH CAROLINA 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 STUDENT AND FACULTY HOUSING REVENUE BOND RESOLUTION or the BOND RESOLUTION) and the issuance of the bonds provided for herein, the Board of Trustees of The University of South Carolina (the TRUSTEES) finds, as a fact, that each of the statements hereinafter set forth is in all respects true and correct:

1. The University of South Carolina (the UNIVERSITY) is a state institution of higher learning, owned and operated by the State of South Carolina.

2. The UNIVERSITY is under the management and control of a Board of Trustees, comprised in the manner prescribed by Chapter 4, Title 22, Code of Laws of South Carolina, 1962.

3. The general powers of the TRUSTEES are set forth in said Chapter 4, Title 22, Code of Laws of South Carolina, 1962, and the specific powers by which the TRUSTEES adopt the BOND RESOLUTION are set forth in Act No. 904 of the Acts of the General Assembly for the year 1960 (the ENABLING ACT).

4. The TRUSTEES have been, from time to time, authorized and empowered by legislation duly enacted by the General Assembly of South Carolina to construct Student and Faculty Housing Facilities (the FACILITIES) and to finance the cost thereof through the issuance of bonds payable from the revenues derived from the FACILITIES.

5. As of the date of the adoption of the BOND RESOLUTION there are outstanding bonds of the UNIVERSITY, for which the revenues of the FACILITIES are pledged, of some fifteen (15) different issues or series (the OUTSTANDING BONDS), each series of which has been issued pursuant to an individual resolution of substantially similar tenor. All outstanding bonds mature on June 1 in the year of their several maturities and bear interest payable semi-annually on June 1 and December 1 of each year.

6. The ENABLING ACT authorizes the TRUSTEES to borrow Twenty-five Million Dollars (\$25,000,000) in addition to the sums borrowed pursuant to Act No. 369 of the Acts of 1953, as amended, plus such further sums as the TRUSTEES determine to borrow from time to time for the purpose of refunding all or any part of any revenue bonds of the UNIVERSITY which shall be payable in whole or in part from the revenues derived from the FACILITIES. The ENABLING ACT further empowers the TRUSTEES to acquire such additional FACILITIES as the TRUSTEES shall from time to time determine. Of the OUTSTANDING BONDS 8 Series were issued pursuant to said Act No. 369 and 7 Series were issued pursuant to the ENABLING ACT.

7. At the present time the UNIVERSITY must permanently finance a woman's dormitory to be known as "Capstone North". In the future it will have to finance similar facilities.

8. As a means of financing Capstone North the TRUSTEES have entered into a loan agreement with the Department of Housing & Urban Development of the United States Government (DHUD) providing for the issuance and sale of Student and Faculty Housing Revenue Bonds of the UNIVERSITY in the principal amount of \$2,600,000. The loan agreement contemplates that such bonds will be issued on a parity with the OUTSTANDING BONDS. The loan agreement further provides for loan subsidy payments (LOAN SUBSIDIES) to be made by or through DHUD which must, in order to maintain the parity among the OUTSTANDING BONDS and bonds hereafter issued by the UNIVERSITY for such purposes (including those to be issued pursuant to the said loan agreement), inure equally and ratably for the

benefit of the OUTSTANDING BONDS as well as the bonds hereafter to be issued by the UNIVERSITY for such purposes.

9. The circumstances set forth in paragraph 8 above make it desirable that a new proceeding be adopted (the BOND RESOLUTION) which would secure the OUTSTANDING BONDS, the bonds proposed to be issued pursuant to the loan agreement, and all bonds hereafter issued by the UNIVERSITY which are issued to finance FACILITIES and which would uniformly define the rights of the holders of such bonds and the obligations of the UNIVERSITY with respect thereto.

10. To accomplish the desired result, it is necessary that the UNIVERSITY obtain the consent of the holders of all OUTSTANDING BONDS or make provisions for the payment of such of the OUTSTANDING BONDS as to which consent cannot be obtained.

11. Of the 15 series of OUTSTANDING BONDS, all of the BONDS are held by the State Budget and Control Board, as Trustee of the Retirement System (the STATE BOARD) or by DHUD with the exception of the following BONDS which are publicly held and widely scattered and whose owners are unknown to the UNIVERSITY, viz:

- (a) All of the now outstanding \$120,000, Series of 1953, which bear interest at the rate of 3½% and mature \$15,000 on June 1 in each of the years 1971 to 1978, inclusive;
- (b) All of the now outstanding \$41,000 Series of 1961, which bear interest at the rate of 3% and mature on June 1, 1971; and
- (c) All of the now outstanding \$110,000, Series of 1964, which bear interest at the rate of 3½% and mature \$25,000 on June 1 in the years 1971 and 1972; and \$30,000 on June 1 in the years 1973 and 1974.

12. Inasmuch as the consent of the holders of the PUBLICLY HELD OUTSTANDING BONDS described in paragraph 11 above cannot be obtained, it is necessary that an irrevocable trust be established into which shall be paid the aggregate of the principal, interests and redemption premium applicable to such bonds in order that there would at all times be available moneys to meet the payment of the principal and interest of such bonds as the same mature or to provide for their redemption should the UNIVERSITY be required to pay and redeem any of such bonds which may be subject to redemption prior to their stated maturities.

13. For the additional security of all OUTSTANDING BONDS a cushion fund had been established which as of this date, contains moneys and securities more than adequate to provide for the Special Trust contemplated by paragraph 12 above. The consent of the STATE BOARD and DHUD has been obtained to the use of moneys in the existing Cushion Fund for that purpose.

14. An agreement with the STATE BOARD and DHUD has also been obtained that this BOND RESOLUTION will secure all of the OUTSTANDING BONDS now held by both the STATE BOARD and DHUD.

15. ALL OUTSTANDING BONDS held by the STATE BOARD and DHUD recite on their face that they are issued pursuant to resolutions other than this BOND RESOLUTION. In order to protect the UNIVERSITY and transferees of such OUTSTANDING BONDS and to establish that henceforth they are now secured by the BOND RESOLUTION it will be necessary that they be either (1) stamped in such fashion as to reflect that they are now secured by the BOND RESOLUTION, or (2) that, in lieu thereof, refunding bonds be issued which would be substituted for such OUTSTANDING BONDS and which would be of similar maturity and interest rate as those of the OUTSTANDING BONDS for which the same were substituted and would differ only from such OUTSTANDING BONDS by reason of the fact that they would recite that they were issued pursuant to and were secured by the BOND RESOLUTION.

16. Accordingly, the BOND RESOLUTION has been adopted as the vehicle pursuant to which all OUTSTANDING BONDS (except those for which payment has been provided) are issued and secured, and pursuant to which will be issued: (1) the bonds to be issued pursuant to the loan agreement; (2) all other bonds hereafter issued by the UNIVERSITY for the purposes of financing FACILITIES; (3) all BONDS issued for the purposes of refunding by exchange any OUTSTANDING BONDS; and (4) all BONDS issued for the purpose of effecting any other refunding of BONDS issued to finance FACILITIES.

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

Section 2.01

This resolution may hereafter be cited and is hereinafter sometimes referred to either as STUDENT AND FACULTY HOUSING REVENUE BOND RESOLUTION or the BOND RESOLUTION, and is the resolution pursuant to which all BONDS of the UNIVERSITY heretofore or hereafter (with the exception of the PUBLICLY HELD OUTSTANDING BONDS described in paragraph 11 of Section 1.01) are issued and secured, including BONDS issued for the purpose of refunding by exchange or otherwise, all or any of said BONDS. If amended or supplemented, in accordance with the provisions of the BOND RESOLUTION, the term BOND RESOLUTION shall mean the BOND RESOLUTION so amended or supplemented.

Section 2.02

In this BOND RESOLUTION, 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 BOND RESOLUTION 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 UNIVERSITY, selected by the UNIVERSITY.

(3) ANNUAL NET REVENUES shall mean the ENTIRE REVENUES received by the UNIVERSITY in any FISCAL YEAR less the expenses of operation and maintenance of the FACILITIES for such FISCAL YEAR.

(4) BOND or BONDS shall mean any bond or bonds issued by the UNIVERSITY pursuant to the BOND RESOLUTION.

(5) BONDHOLDER, or the term HOLDER, or any similar term, when used with reference to any of the 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 the bearer.

(6) COUNSEL'S OPINION shall mean an opinion of an Attorney duly admitted to practice law before the highest court in South Carolina, who is not a full time employee of the UNIVERSITY, but it shall include any opinion issued by the Attorney General of South Carolina.

(7) DEBT SERVICE FUND is the fund established by Section 6.02, to be held by the STATE TREASURER, and which is intended to provide funds for the payment of principal and interest of all BONDS at any time outstanding.

(8) DEBT SERVICE RESERVE FUND is the fund established by Section 6.03, to be held by the STATE TREASURER, and which is intended to provide additional security for payment of the BONDS.

(9) ENABLING ACT shall mean Act No. 904 of the Acts of the General Assembly of the State of South Carolina for the year 1960, entitled "AN ACT TO AUTHORIZE THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH CAROLINA TO ACQUIRE STUDENT AND FACULTY HOUSING FACILITIES; TO EMPOWER THE BOARD OF TRUSTEES TO EFFECT LOANS FOR SUCH PURPOSES 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; AND TO MAKE PROVISION FOR THE PAYMENT OF THE LOANS," Approved the 11th day of April, 1960, as now amended or as hereafter amended, implemented or supplemented, or any subsequently enacted legislation which grants to the TRUSTEES the power to issue bonds payable from the revenues of the FACILITIES.

(10) ENTIRE REVENUES shall mean all moneys which the UNIVERSITY shall derive, directly or indirectly, from the use, operation or rental of all FACILITIES which it may now or hereafter possess.

(11) FACILITIES or STUDENT AND FACULTY HOUSING FACILITIES shall mean all the dormitories, student dwelling quarters and facilities, houses, residences, apartment buildings, used or designed for use as student and faculty housing, and all furniture, furnishings and equipment therein, which are now owned by the UNIVERSITY, or which may hereafter be acquired by the UNIVERSITY for any of such purposes, and which are used or are useful in connection with the functioning of the main campus in Columbia. This term shall exclude facilities of this sort which may hereafter be established in connection with the operation of any regional branches of the UNIVERSITY. The term STUDENT AND FACULTY HOUSING FACILITIES shall likewise include such property which may be the subject of leasehold estates in favor of the UNIVERSITY, and such property as to which the UNIVERSITY has become the beneficial owner, if such property be acquired for or shall be used for student or faculty housing. Such term shall not be deemed to include the residence of the President of the UNIVERSITY, located on the campus of the UNIVERSITY, or such portions of the said facilities as are used by matrons or proctors of student dormitories, such facilities being specifically excluded from the definition, pursuant to the provisions of the ENABLING ACT.

(12) 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.

(13) LOAN SUBSIDIES shall mean all sums to become payable to or for the account of the UNIVERSITY 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 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.

(14) OUTSTANDING BONDS shall mean the several series of Student and Faculty Housing Revenue Bonds of the UNIVERSITY.

(15) PAYING AGENT shall mean the banks or financial institutions at which any principal or interest of any series of BONDS shall be payable, or the STATE TREASURER, should that officer be appointed as PAYING AGENT pursuant to Section 13.01.

(16) PUBLICLY HELD OUTSTANDING BONDS shall mean those of the OUTSTANDING BONDS described in subparagraphs (a), (b) and (c) of paragraph 11 of Section 1.01 hereof.

(17) PURCHASER shall mean the individual, corporation or governmental agency acquiring any series of BONDS at the sale thereof.

(18) SPECIAL TRUST FUND shall mean the fund established by Section 24.01 hereof to provide for the payment and retirement of the PUBLICLY HELD OUTSTANDING BONDS.

(19) STATE TREASURER shall mean the State Treasurer of the State of South Carolina.

(20) SUPPLEMENTAL RESOLUTION shall mean the resolution or resolutions providing for the issuance of BONDS of any series and which prescribe inter alia the date of such BONDS, the maturities thereof, interest rate or rates borne thereby, the paying agents thereof, the form and denomination thereof, the redemption provisions, if any, the method of sale or disposition thereof, and the purpose or purposes to which the proceeds thereof shall be applied.

(21) TRUSTEES shall mean the Board of Trustees of the UNIVERSITY.

(22) UNIVERSITY shall mean The University of South Carolina, Columbia, South Carolina.

(23) Words importing persons include firms, associations and corporations.

(24) 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.

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

(26) The words "hereof," "herein," and "hereunder," and words of similar import, shall refer to the BOND RESOLUTION as a whole.

ARTICLE III

GENERAL CONDITIONS

Section 3.01

BONDS to the extent authorized by the ENABLING ACT may be issued from time to time by the adoption of a resolution expressed to be supplementary to the BOND RESOLUTION (the SUPPLEMENTAL RESOLUTION) and if issued in accordance with the provisions of the BOND RESOLUTION when so sold, issued and delivered shall, inter sese, be on a parity in all respects notwithstanding that they may bear different date, interest rate, number, date of execution or date of delivery. It is expressly declared that all OUTSTANDING BONDS except the PUBLICLY HELD OUTSTANDING BONDS shall be deemed to be issued pursuant to and secured by the provisions of the BOND RESOLUTION. A single SUPPLEMENTAL RESOLUTION may become the vehicle for the issuance of more than one series of BONDS.

Section 3.02

BONDS may be issued for any purpose permitted by the ENABLING ACT, including the refunding by exchange or otherwise of any BONDS or OUTSTANDING BONDS.

Section 3.03

All BONDS shall be expressed to mature on June 1 in the years in which the same fall due and shall bear interest payable as of June 1 and December 1 in the years in which interest becomes due. Notwithstanding the provisions of this Section, BONDS may be dated as of any occasion.

Section 3.04

All BONDS shall be issued in such form and 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 any other series. The SUPPLEMENTAL RESOLUTION providing for the issuance of any series of BONDS shall prescribe the form or forms of such BONDS and shall further prescribe as to whether BONDS issued in one form may thereafter be converted into BONDS of another form.

Section 3.05

BONDS shall have such maturities and shall bear such rate or rates of interest as the TRUSTEES shall prescribe in the SUPPLEMENTAL RESOLUTION effecting the issuance thereof, except that the BONDS hereafter issued shall conform to the applicable provisions of ARTICLE IV hereof.

Section 3.06

BONDS may be issued only in accordance with the applicable provisions of ARTICLE IV hereof.

Section 3.07

Both the principal and interest of 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 offices of the PAYING AGENT designated in the SUPPLEMENTAL RESOLUTION providing for the issuance of such particular series. The PAYING AGENT of each series shall act as Registrar of the BONDS of such series and shall maintain for the Treasurer of the UNIVERSITY (and the STATE TREASURER) 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.

Section 3.08

If, in the issuance of any series of BONDS, the TRUSTEES shall have reserved the right, at their option, to redeem all or any portion of such series prior to the stated maturity thereof, then in each such event the TRUSTEES shall give notice thereof, identifying the BONDS or portions thereof to be redeemed,

by publication at least once in a newspaper or financial journal published in the City of New York, State of New York, not less than thirty nor more than sixty days prior to the redemption date, and in case of the redemption of fully registered BONDS or portions thereof or BONDS at the time registered as to principal only, upon mailing a copy of the redemption notice by first class mail at least thirty days prior to the date fixed for redemption to the registered HOLDER of each BOND to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing or any defect therein, shall not affect the validity of any proceedings for the redemption of BONDS. If all of the BONDS to be redeemed are at that time fully registered or registered as to principal only, notice by mailing given by first class mail to the registered HOLDER or HOLDERS thereof, at the address shown on the registration books, not less than thirty days prior to the date fixed for redemption as aforesaid shall be sufficient and published notice of the call for redemption need not be given, and failure duly to give such notice by mailing, or any defect in the notice, to the registered HOLDER of any BOND designated for redemption shall not affect the validity of the proceedings for the redemption of any other BOND. All BONDS so called for redemption shall cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time, and shall no longer be protected by the BOND RESOLUTION and shall not be deemed to be outstanding under the provisions of the BOND RESOLUTION. If, because of the temporary or permanent suspension of the publication or circulation of any such newspaper or financial journal or for any other reason, it is impossible or impractical to publish such notice of call for redemption in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the TRUSTEES and the STATE TREASURER shall constitute a sufficient publication of notice. Each notice shall specify the numbers of the BONDS being called, if less than all of the BONDS are being called, the redemption date, the place or places where amounts due upon such redemption will be payable, and in the case of registered BONDS to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that payment of the applicable redemption price plus accrued interest to the date fixed for redemption will be made upon presentation and surrender of the BONDS.

Section 3.09

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 PAYING AGENT (for such series of BONDS), on registry books to be kept by such PAYING AGENT on behalf of the Treasurer of the UNIVERSITY 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 shall not affect the negotiability of the coupons appertaining thereto, which shall continue to be payable to bearer and transferable by delivery.

Section 3.10

The UNIVERSITY and each PAYING AGENT may treat and consider the bearer of any coupon BOND which shall not at the time be registered as to principal other than to bearer, as the 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 UNIVERSITY, nor any PAYING AGENT, shall be affected by any notice to the contrary. The UNIVERSITY and each PAYING AGENT may treat and consider the bearer of any coupon appurtenant to any coupon BOND as the 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 UNIVERSITY nor any PAYING AGENT shall be affected by any notice to the contrary. The UNIVERSITY and each PAYING AGENT may treat and consider the

person in whose name any coupon BOND shall be registered as to principal upon the books of the PAYING AGENT as the 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 UNIVERSITY, nor any PAYING AGENT, 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 shall be made only to, or upon the order of, the person in whose name such BOND shall be registered. 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 3.11

All BONDS, when issued in fully registered form, shall be transferable only by the registered HOLDER in person or by his attorney duly authorized and upon delivery to the PAYING AGENT (of such series of BONDS) of any appropriate instrument of transfer and assignment in form satisfactory to such PAYING AGENT; no transfer thereof shall become effective until the transfer shall be duly noted by such PAYING AGENT in a Register to be kept by such PAYING AGENT for the Treasurer of the UNIVERSITY and the transfer duly noted on the back of the registered BOND. On the occasion of any transfer of any registered 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. The UNIVERSITY and the PAYING AGENT may treat and consider the person in whose name a fully registered BOND shall be registered as the absolute owner thereof for the purpose of receiving payment of the interest, principal or redemption price thereof and for all purposes whatsoever.

Section 3.12

All BONDS shall be executed in the name of the UNIVERSITY by the manual or facsimile signature of the Chairman of the TRUSTEES, under the Corporate Seal of the UNIVERSITY which shall be impressed or reproduced thereon, and attested by the manual signature of the Secretary, or an Assistant Secretary or acting Secretary, of the TRUSTEES. Interest coupons of any BOND issued in coupon form shall be signed by the facsimile signatures of the Chairman and the Secretary, or an Assistant Secretary or acting Secretary, of the said TRUSTEES. Any facsimile signature appearing on the BONDS and coupons may be those of the persons who are in office on the date of the adoption of the SUPPLEMENTAL RESOLUTION prescribed by Section 3.01, supra. The BONDS shall be manually signed by a person holding office when the BONDS are printed and are ready for delivery. In case any officer whose signature or facsimile of whose signature shall appear on any BONDS or coupons shall cease to be such officer before the delivery of such BONDS, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until the delivery of such BONDS.

PROVIDED, that no BOND issued in fully registered form shall be valid unless the certificate of authentication appearing on such BOND shall be duly executed by an authorized officer of any PAYING AGENT of such series.

Section 3.13

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 inuring to the benefit of all HOLDERS or beneficiaries of the BONDS.

Section 3.14

In the event any BOND is mutilated, lost, stolen or destroyed, the TRUSTEES may execute and the PAYING AGENT may authenticate (if so required by Section 3.12 hereof) a new BOND, of like date, of like series, maturity and denomination as that mutilated, lost, stolen or destroyed, which new BOND shall have attached thereto coupons corresponding in all respects to those (if any) on the BOND mu-

tilated, lost, stolen or destroyed; provided that, in the case of any mutilated BOND, such mutilated BOND together with all coupons (if any) appertaining thereto shall first be surrendered to the TRUSTEES, and in the case of any lost, stolen, or destroyed BOND, there shall be first furnished to the TRUSTEES and the PAYING AGENT of such BOND evidence of such loss, theft or destruction satisfactory to the TRUSTEES and the PAYING AGENT, together with indemnity satisfactory to them. In the event any such BOND or coupon shall have matured, instead of issuing a duplicate BOND or coupon the TRUSTEES may, upon suitable indemnity being provided, pay the same without surrender thereof. The TRUSTEES and the PAYING AGENT of such BOND may charge the HOLDER or owner of such BOND with their reasonable fees and expenses in this connection.

Section 3.15

The principal of and interest on all BONDS shall be payable solely 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 BONDS then outstanding matured or maturing in such FISCAL YEAR shall have been fully paid and discharged, and the UNIVERSITY shall have made all other payments required of it by the BOND RESOLUTION, and shall not be in default as to any covenants made herein, 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 that at any time hereafter shall be outstanding.

Section 3.16

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

ARTICLE IV

CONDITIONS UNDER WHICH BONDS MAY BE ISSUED

Section 4.01

No BONDS shall hereafter be issued pursuant to the BOND RESOLUTION, except pursuant to a SUPPLEMENTAL RESOLUTION, and in full compliance with the applicable terms and conditions set forth in this Section 4.01 and in the remaining sections of this Article IV. BONDS shall be issued only for the purposes set forth in Section 3.02 hereof.

Section 4.02

The UNIVERSITY shall, on the occasion of the issuance of such BONDS, be in full compliance with all of the covenants, undertakings and agreements made in the BOND RESOLUTION and such fact shall be established by a certificate of the Chief Financial Officer of the UNIVERSITY.

Section 4.03

The ENTIRE REVENUES for the FISCAL YEAR next preceding the FISCAL YEAR in which the BONDS shall be issued, as established by an ACCOUNTANT'S CERTIFICATE, shall be not less than one hundred thirty (130%) per centum of the maximum annual principal and interest requirements for any succeeding FISCAL YEAR of all BONDS then issued, and all BONDS then proposed to be issued. Provided, however, that in determining the annual principal and interest requirements of BONDS then issued and BONDS then proposed to be issued, the amount of LOAN SUBSIDIES to become payable in any succeed-

ing FISCAL YEAR shall be subtracted from the annual principal and interest requirements of such BONDS then outstanding and of such BONDS then proposed to be issued, and the 130% test hereby required shall be applied following the subtraction permitted by this proviso.

Section 4.04

The ANNUAL NET REVENUES for the FISCAL YEAR next preceding the FISCAL YEAR in which the proposed issue of BONDS are to be issued, as established by an ACCOUNTANT'S CERTIFICATE, shall be not less than one hundred thirty (130%) per centum of the average annual requirements for principal and interest on all BONDS then outstanding determined as hereinafter in this Section 4.04 provided.

The calculation required by this Section 4.04 to determine the average annual requirements for principal and interest on all BONDS then outstanding shall be effected as follows:

- (a) the aggregate annual principal and interest requirements of all BONDS then outstanding shall be determined for each FISCAL YEAR in which BONDS are expressed to mature, or in which interest is to be paid;
- (b) the total of all principal and interest requirements of all BONDS then outstanding for all FISCAL YEARS in which BONDS are expressed to mature or in which interest is to be paid 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 during the period of FISCAL YEARS during which BONDS are expressed to mature or in which interest is to be paid;
- (d) the remainder obtained pursuant to paragraph (c) shall be divided by the number of FISCAL YEARS during which BONDS then outstanding are expressed to mature or in which interest is to be paid;
- (e) the quotient thus obtained shall reflect the average annual requirements of principal and interest of BONDS then outstanding; and
- (f) each calculation required by any of paragraphs (a) through (e), inclusive, shall be determined as of the date to be borne by the then proposed series of BONDS, and shall assume that all sums then due on BONDS have been paid provided that moneys therefor shall be in the hands of the PAYING AGENT thereof.

Section 4.05

If the proceeds of the 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 4.05) 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 4.05) of other than 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 4.05) of the principal and interest on all BONDS then outstanding, and on the 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 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, less the estimated cost of operation and maintenance.
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 other 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 BONDS then outstanding and on the BONDS proposed to be issued shall be computed in accordance with the applicable provisions in paragraphs (a) through (e), inclusive, of Section 4.04 hereof, except that the determination contemplated by the foregoing paragraphs of Section 4.04 shall include (i) the principal and interest requirements of the BONDS then proposed to be issued; (ii) LOAN SUBSIDIES applicable thereto; and (iii) any additional number of years for which such BONDS shall be outstanding.
4. The computation required by paragraphs 1 and 2 of this Section 4.05 shall be made by the Chief Financial Officer of the UNIVERSITY and shall be approved by the TRUSTEES.

Section 4.06

If BONDS are issued for the purpose of refunding by exchange any BONDS then outstanding (including OUTSTANDING BONDS) such BONDS shall mature and bear interest and be subject to redemption in accordance with the terms and provisions of the BONDS with which such BONDS are to be exchanged and may be dated as of the date borne by such exchanged BONDS. It shall not be necessary in the issuance of BONDS pursuant to this Section 4.06 to establish a compliance with the provisions of Sections 4.03 and 4.04.

Section 4.07

If BONDS are issued for the purpose of obtaining funds to effect the refunding of less than all BONDS then outstanding, such refunding BONDS shall bear interest at a lower rate than that in effect on the BONDS to be refunded, except that refunding BONDS or portions thereof, may be issued at a higher rate of interest than that borne by the BONDS which are being refunded, if they shall be expressed to mature subsequent to the last maturing 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 of redemption of the last maturing BONDS then outstanding.

Section 4.08

The UNIVERSITY shall obtain COUNSEL'S OPINION that the BONDS are being issued for purposes authorized by the ENABLING ACT.

Section 4.09

The UNIVERSITY shall obtain COUNSEL'S OPINION that the title to any tract of land to be acquired with any part of the proceeds of any BONDS shall be good and marketable, and will vest in the UNIVERSITY 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 BONDS then to be outstanding.

Section 4.10

The maturity schedule of each series of BONDS (except those issued pursuant to Section 4.06) 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 then outstanding are expressed to mature; but this 5% limitation on the amount of BONDS which may be expressed to mature in FISCAL YEARS wherein BONDS then outstanding are expressed to mature may be disregarded in any FISCAL YEAR whenever the aggregate of

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

does not exceed the maximum annual (FISCAL YEAR) principal payment of BONDS then outstanding, maturing in such FISCAL YEARS.

In such FISCAL YEARS wherein the 5% limitation may be thus ignored, BONDS may be expressed to mature to such extent as shall not exceed the maximum annual principal payment of BONDS then 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 1980 BONDS, Series X, in the principal amount of \$2,000,000 are proposed to be issued. At such time there are outstanding an aggregate of \$12,000,000 of BONDS. The aggregate principal maturities of BONDS then outstanding are as follows:

- \$500,000 on June 1 in the years 1981 to 1995, inclusive; and
- \$100,000 on June 1 in the year 1996.

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

- (i) During the years 1981 to 1995, inclusive, not more than \$100,000 of BONDS, Series X, may be expressed to mature;
- (ii) In the year 1996, not more than \$500,000 of BONDS, Series X, may mature; and
- (iii) In the years 1997 and thereafter, there is no limitation on the amount of BONDS, Series X, that may be expressed to mature in such years.

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

Section 4.11

The TRUSTEES, the PAYING AGENT or BONDHOLDERS and all purchasers of all BONDS to be issued shall be entitled to rely upon and shall be bound by:

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

ARTICLE V

GENERAL COVENANT AS TO RATES AND CHARGES

Section 5.01

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, which, together with LOAN SUBSIDIES to which the UNIVERSITY is entitled, shall at all times be sufficient (1) to pay the interest on and principal of the BONDS then outstanding and 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 prescribed by the resolution authorizing the issuance of the BONDS, and (3) to discharge such other and further obligations as shall have been incurred by the UNIVERSITY under the BOND RESOLUTION.

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 obtain the fullest utilization thereof.

Section 5.02

In making the covenants and agreements set forth in Section 5.01 the TRUSTEES shall not be precluded from fixing rates, different from other rates, for any particular additional FACILITIES which may be constructed with the proceeds of any series of BONDS.

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, the funds described in 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 that may at any time be outstanding. This fund shall at all times be kept on deposit with the STATE TREASURER and shall be disbursed by the STATE TREASURER to the PAYING AGENT of the several series of 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 or interest installments of any BONDS shall fall due, except that with respect to BONDS issued in fully registered form, or coupon BONDS registered as to principal only, payments shall be made in accordance with the terms and provisions of such BONDS.

To the extent practical, moneys in the DEBT SERVICE FUND shall be invested and reinvested in obligations permitted by Act No. 438 of the Acts of the General Assembly for the year 1967, as now or hereafter amended, having maturities consonant with the need for moneys, but in no event, longer than twelve (12) 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 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 STATE TREASURER and withdrawn only by the STATE TREASURER. 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 at such time outstanding.

To the extent practical, moneys in the DEBT SERVICE RESERVE FUND shall be invested and reinvested in obligations permitted by Act. No. 438 of the Acts of the General Assembly for the year 1967, as now or hereafter amended, 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 investments 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 ENTIRE REVENUES which the UNIVERSITY shall derive from the FACILITIES shall be duly collected, segregated from other revenues of the UNIVERSITY and kept on deposit with the STATE TREASURER or, at the option of the TRUSTEES and with the written permission of the STATE TREASURER, 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.

Section 7.02

For the period beginning July 1 and ending December 31, in each year, disposition shall be made of the ENTIRE REVENUES in the order of priority established by the numerical sequence of the sub-paragraphs of this section.

1. On or before November 15 in each year the STATE TREASURER shall effect the deposit in the DEBT SERVICE FUND of such amounts of the ENTIRE REVENUES which together with LOAN SUBSIDIES then applicable therefor, will provide the STATE TREASURER with sufficient moneys to:

(a) discharge all installments of interest due on any BONDS on December 1 next ensuing;

- (b) have on hand a sum equal to 50% of the aggregate principal payments to fall due on June 1 next ensuing on all BONDS; and
 - (c) discharge all past due installments of interest and all matured 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) that sum which is 6% of the aggregate of the principal amount of BONDS then outstanding, or
 - (ii) that sum which reflects the maximum annual debt service requirement of all BONDS then outstanding,
- the STATE TREASURER shall effect the deposit in the DEBT SERVICE RESERVE FUND, of a sum equal to 5% of the sum required 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 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 then outstanding, or for any other lawful purpose.

Section 7.03

The ENTIRE REVENUES derived from the FACILITIES during the period beginning January 1 and ending June 30, in each year shall be disposed of in the order of priority established by the numerical sequence of the sub-paragraphs of this Section.

1. On or before May 15 in each year the STATE TREASURER shall effect the deposit in the DEBT SERVICE FUND of such amounts of the ENTIRE REVENUES which together with LOAN SUBSIDIES then applicable therefor, as will provide the STATE TREASURER with sufficient moneys to:
- (a) discharge all installments of interest due on any BONDS on June 1 next ensuing;
 - (b) (when added to payment made pursuant to 7.02(1)(b)) effect the payment of the aggregate principal payments to fall due on June 1 next ensuing on all BONDS;
 - (c) discharge all past due installments of interest and all matured 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) that sum which is 6% of the aggregate of the principal amount of BONDS then outstanding, or
 - (ii) that sum which reflects the maximum annual debt service requirement of all BONDS then outstanding,
- the STATE TREASURER shall effect the deposit in the DEBT SERVICE RESERVE FUND, of a sum equal to 5% of the sum required 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 and extension of the FACILITIES, or to the payment of BONDS then outstanding, or for any other lawful purpose.

ARTICLE VIII

OPERATION OF FACILITIES

Section 8.01

For the protection of the BONDHOLDERS, the TRUSTEES covenant and agree that they will faithfully perform and observe all of the covenants herein set forth in the remaining sections of this Article.

Section 8.02

The TRUSTEES agree 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.

Section 8.03

The TRUSTEES agree 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 BOND RESOLUTION.

Section 8.04

The TRUSTEES agree 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 UNIVERSITY), which shall reflect all sums which the TRUSTEES intend to spend or dispose of for such FACILITIES during each 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 BOND RESOLUTION.
- (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.

Section 8.05

The TRUSTEES agree to implement the pledge of LOAN SUBSIDIES made by Section 3.15 hereof, and pay, or cause to be paid, to the STATE TREASURER all LOAN SUBSIDIES.

ARTICLE IX

ADDITIONAL COVENANTS

Section 9.01

For the protection of the BONDHOLDERS, the TRUSTEES covenant and agree that they will faithfully perform and observe all of the covenants herein set forth in the remaining sections of this Article.

Section 9.02

The TRUSTEES covenant and represent that no part of the FACILITIES, nor any portion of the ENTIRE REVENUES has been hypothecated, mortgaged, otherwise pledged or encumbered, save and except as herein recited or provided for, and that prior to the delivery of any BONDS pursuant to the BOND RESOLUTION, provision will be made for the payment and redemption of all presently outstanding bonds which have a claim to the revenues of the FACILITIES.

Section 9.03

The TRUSTEES covenant that they will permit no free use to be made of any of the FACILITIES.

Section 9.04

The TRUSTEES covenant that so long as any BONDS be outstanding and unpaid, they will perform all duties with respect to the said FACILITIES, required by the ENABLING ACT and the BOND RESOLUTION.

Section 9.05

The TRUSTEES covenant 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 BOND RESOLUTION.

Section 9.06

The TRUSTEES covenant that they will keep the buildings which constitute the FACILITIES, and all furnishings, furniture, 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 BONDS outstanding; PROVIDED, ALWAYS, that in case the face amount of such outstanding 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, 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 source 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 STATE TREASURER, who shall hold the same in a special fund, separate and distinct from all other funds heretofore established by the BOND RESOLUTION, and shall be used by him solely for the redemption of bonds payable from the ENTIRE REVENUES.

Section 9.07

The TRUSTEES covenant that they will secure adequate fidelity bonds, covering all persons handling moneys of the FACILITIES, other than the STATE TREASURER and the PAYING AGENT.

Section 9.08

The TRUSTEES covenant that all moneys received by 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.

Section 9.09

The TRUSTEES covenant that all insurance policies will be open to the inspection of the BONDHOLDERS at all reasonable times.

Section 9.10

The TRUSTEES agree 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 X

AGREEMENT TO FURNISH INFORMATION

Section 10.01

The TRUSTEES recognize that those who may from time to time hereafter be the HOLDERS of the BONDS will, throughout the life of the 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.

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 said FACILITIES, which may be a part of the general audit of the affairs of the UNIVERSITY. A copy of such audit, accompanied by an ACCOUNTANT'S CERTIFICATE of accuracy shall be forwarded to the STATE TREASURER, and other copies made available to every BOND-HOLDER who shall have signified in writing to the TRUSTEES his desire to obtain copies of such audit.

ARTICLE XI

SALE AND DISPOSITION OF FACILITIES AND DISPOSITION OF PROCEEDS THEREFROM

Section 11.01

The TRUSTEES shall have the right to dispose of any obsolete or worn out equipment, furniture and furnishings which may be at any time a part of the FACILITIES, but all moneys realized therefrom shall be treated as a part of the ENTIRE REVENUES and disposed of as herein prescribed for the disposition of the ENTIRE REVENUES. The TRUSTEES may raze any portion of the FACILITIES which they find no longer to be serviceable, but only after the receipt of a written recommendation by the Chief Financial Officer of the UNIVERSITY to the effect that such portion of the FACILITIES is no longer suitable for the purposes intended and the destruction thereof will not adversely affect the ability of the UNIVERSITY to discharge its obligations under the BOND RESOLUTION. Such action shall be taken only by resolution duly adopted by the TRUSTEES and to which shall be appended as an Exhibit the written recommendation of the Chief Financial Officer.

Section 11.02

The TRUSTEES may sell and dispose of any portion of the FACILITIES, but only if:

1. Prior to any sale of any portion of the FACILITIES, the TRUSTEES shall have received the written recommendation of the Chief Financial Officer of the UNIVERSITY stating that in the opinion of such officer the sale of the portion of the FACILITIES is desirable and will not adversely affect the ability of the UNIVERSITY to discharge its covenants hereunder.

2. The TRUSTEES shall have received an appraisal from an independent appraiser of recognized standing stating that in his opinion the purchase price to be received by the UNIVERSITY represents the full market value of the portion of the FACILITIES sought to be sold.

3. A resolution shall have been adopted to which shall have been appended the recommendation of the Chief Financial Officer and the independent appraiser, approving the sale and prescribing that the purchase price shall be deposited in a separate fund with the STATE TREASURER and applied either (1) toward the cost of constructing additional FACILITIES whose revenues shall become a part of the ENTIRE REVENUES, or (2) applied to the payment and redemption of the BONDS in the inverse chronological order of their maturity except that, as to the BONDS of any series which shall not then be subject to redemption, such series may be disregarded for the purpose of effecting the redemption of BONDS as required by this Section; provided that if the UNIVERSITY shall sell the properties located on the Northeast corner of Sumter and Gervais Streets, formerly known as the Columbia Hotel which is presently a part of the FACILITIES, then in such event so much of the purchase price as may be required therefor may be applied to the payment of the redemption of the BONDS, SECOND SERIES OF 1966, dated June 1, 1966.

ARTICLE XII
STATE TREASURER AND HIS FUNCTIONS
WITH RESPECT TO THE BONDS

Section 12.01

The STATE TREASURER is hereby designated and shall act as the corporate trustee for the BOND-HOLDERS and is hereby appointed to act in such capacity.

Section 12.02

In his capacity as corporate trustee hereunder, the STATE TREASURER 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 whose proceeds are intended to construct or renovate FACILITIES in such manner as may be prescribed in the SUPPLEMENTAL RESOLUTION for the issuance of BONDS of such series;
- (4) To make semi-annual reports to the TRUSTEES
 - (a) establishing balances on hand; and
 - (b) listing investments made for any fund handled by the STATE TREASURER.

Section 12.03

It shall be the further duty of the STATE TREASURER to give written notice to the TRUSTEES on or before each November 16 and each May 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 December 1 and June 1 next ensuing, and the extent to which resort must be had to the DEBT SERVICE RESERVE FUND to meet such deficiency.

Section 12.04

Prior to the delivery of any BONDS, the STATE TREASURER appointed pursuant to Section 12.01 shall signify his acceptance of the powers, duties and obligations conferred and imposed upon him by the BOND RESOLUTION, by executing and delivering to the TRUSTEES a written acceptance thereof.

Section 12.05

The recitals of fact made in the BOND RESOLUTION and in the BONDS shall be taken as statements of the TRUSTEES, and neither the STATE TREASURER nor the State of South Carolina shall be deemed to have made any representation as to the correctness of the same, nor shall the STATE TREASURER be deemed to have made any representation whatsoever as to the validity or sufficiency of the BOND RESOLUTION or of the BONDS or the coupons appertaining thereto. The STATE TREASURER shall have no responsibility with respect to the issuance of the BONDS or the application of the proceeds thereof, except to the extent provided for herein.

Section 12.06

The STATE TREASURER 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 12.07

The STATE TREASURER may, at the directive of the General Assembly, resign and be discharged of his 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 12.08

In case at any time the STATE TREASURER shall resign, a successor 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 \$10,000,000.

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 12.09

If, in a proper case, no appointment of a successor shall be promptly made pursuant to Section 12.08 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 12.10

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 fully 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 12.11

Any bank into which any successor corporate trustees 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 successor bank to which the corporate trustees 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 12.08) in lieu of the bank then acting as corporate trustee.

Section 12.12

Unless the same be secured as trust funds in the manner provided by the applicable regulations issued by the Comptroller of the Currency of the United States of America, all funds in the custody of any bank acting as 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 a market value at least equal to the sum on deposit and not insured as aforesaid by the Federal Deposit Insurance Corporation.

Section 12.13

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 bank then acting as 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 Five Million Dollars.

ARTICLE XIII

APPOINTMENT OF PAYING AGENTS

Section 13.01

Prior to the delivery of any series of BONDS, a PAYING AGENT (which may be either the STATE TREASURER or one or more financial institutions approved by the TRUSTEES) shall be appointed for such series. Any bank into which any PAYING AGENT 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 successor bank to which the PAYING AGENT may sell or transfer all or substantially all of its business, shall become the successor PAYING AGENT without the execution or filing of any paper or the performance of any further act.

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 XIV

DISPOSITION OF PAID BONDS AND COUPONS

Section 14.01

It shall be the duty of each PAYING AGENT to cancel all BONDS which have been paid, whether upon their maturity or redemption prior to maturity, all coupons that have been paid, and all unmatured coupons on BONDS redeemed prior to their stated maturities; such cancellation shall be done in such fashion as to render such 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 XV

STATUTORY LIEN AND RECEIVER

Section 15.01

For the further protection of the HOLDERS of 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 UNIVERSITY, the TRUSTEES and said FACILITIES, and shall take effect immediately upon the delivery of any BONDS.

Section 15.02

If there be any default in the payment of the principal of or interest on any 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 XVI
MODIFICATION BY THE UNIVERSITY OF THE BOND
RESOLUTION

Section 16.01

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

1. To close the BOND RESOLUTION against, or provide limitations and restrictions in addition to, the limitations and restrictions contained in the BOND RESOLUTION on the issuance, in the future, of BONDS.
2. To add to the covenants and agreements of the TRUSTEES in the BOND RESOLUTION, 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 BONDS.
3. To surrender any right, power or privilege reserved to or conferred upon the TRUSTEES or the UNIVERSITY by the BOND RESOLUTION.
4. To authorize the issuance of BONDS pursuant to or in conformity with the BOND RESOLUTION.
5. To cure, correct or remove any ambiguity or inconsistent provisions contained in the BOND RESOLUTION.

Section 16.02

No such resolution adopted by the TRUSTEES pursuant to Section 16.01 shall become effective until certified copies thereof shall be delivered to the STATE TREASURER and to each PAYING AGENT of all series of BONDS, and notice thereof given in a financial journal published in the City of New York, State of New York.

ARTICLE XVII
MODIFICATION OF BOND RESOLUTION WITH APPROVAL
OF BONDHOLDERS

Section 17.01

The rights and duties of the TRUSTEES and the BONDHOLDERS, and the terms and provisions of the BOND RESOLUTION, 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 then outstanding, such consent to be evidenced by an instrument or instruments executed by the HOLDERS thereof and duly acknowledged or provided 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; PROVIDED, ALWAYS, that the provision of this covenant shall not affect the right of the UNIVERSITY to issue refunding bonds payable from the ENTIRE REVENUES, if such refunding bonds be issued in conformity with the provisions of ARTICLE IV.
2. Effect a reduction in the amount which the UNIVERSITY 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 UNIVERSITY is obligated to effect payment of the principal, interest and redemption premiums of any BONDS.
4. Permit the creation of a lien on the revenues of the FACILITIES prior to or equal to the BONDS, except as authorized by the BOND RESOLUTION.

5. Permit preference or priority of any 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 required for the written consent to any modification or alteration of the provisions of the BOND RESOLUTION.

Section 17.02

No such resolution adopted by the TRUSTEES pursuant to Section 17.01 shall become effective until certified copies thereof shall be delivered to the STATE TREASURER and to each PAYING AGENT of all series of BONDS, and notice thereof given in a financial journal published in the City of New York, State of New York.

ARTICLE XVIII EVENTS OF DEFAULT

Section 18.01

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 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 UNIVERSITY 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 the BOND RESOLUTION, 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 BOND HOLDER

ARTICLE XIX REMEDIES

Section 19.01

If the UNIVERSITY be in default as to the payment of any installment of principal or interest upon any 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 then outstanding may, by notice in writing to the UNIVERSITY, declare

the principal of all BONDS then outstanding (if not 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 shall have been so declared to be due and payable, all arrears of interest, if any, upon all the BONDS then outstanding, and all other indebtedness secured hereby (except the principal of any BONDS not then due by their terms, and interest accrued on such 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 BONDS, or herein contained, shall be made good, or provision therefor satisfactory to the HOLDERS of such BONDS shall have been made, then and in every such case, the HOLDERS of not less than fifteen per centum (15%) in principal amount of the BONDS then outstanding may, by written notice to the UNIVERSITY, 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 19.02

Upon the happening and continuance of any event of default, as provided in ARTICLE XVIII, then and in every such case, any BONDHOLDER may proceed, subject to the provisions of Section 19.04 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 BOND RESOLUTION 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. Nothing herein contained shall confer upon any court of competent jurisdiction the power to order a sale of any of the FACILITIES.

Section 19.03

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 UNIVERSITY 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 19.04

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 and coupons.

Section 19.05

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 19.06

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 XX
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 20.01

Whenever BONDS have been issued pursuant to the BOND RESOLUTION, their proceeds shall be disposed of in the manner prescribed by the resolution amending the BOND RESOLUTION, but in all events any accrued interest received at the sale of any BONDS shall be deposited in the DEBT SERVICE FUND, and any premium received from the sale of BONDS shall be deposited in the DEBT SERVICE RESERVE FUND.

ARTICLE XXI
METHOD OF DETERMINING BONDHOLDERS

Section 21.01

Any consent, request, direction, approval, waiver, objection or other instrument required by the BOND RESOLUTION 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 BOND RESOLUTION, and shall be conclusive in favor of the TRUSTEES, the STATE TREASURER 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 or 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 acknowledgments 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 be 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 STATE TREASURER 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 XXII

DEFEASANCE

Section 22.01

If all of the BONDS, and coupons representing interest thereon, issued pursuant to the BOND RESOLUTION and all resolutions amendatory or supplemental thereto, shall have been paid and discharged, then the obligations of the UNIVERSITY under the BOND RESOLUTION, the pledge of revenues made thereby, and all other rights granted thereby shall cease and determine. 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 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, or the interest thereon, shall have occurred on the stated maturities of such 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 UNIVERSITY shall elect to redeem the 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 BOND RESOLUTION and shall have deposited with the PAYING AGENT, in an irrevocable trust, the aggregate of all sums to become due on the BONDS to the first available redemption date, by way of principal, interest and redemption premium (if any). And if the UNIVERSITY, having elected to redeem the 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 shall be disregarded in determining whether the UNIVERSITY shall comply with the provisions of ARTICLE IV relating to the issuance of BONDS.

Section 22.02

Any moneys which at any time shall be deposited with the PAYING AGENT, by or on behalf of the UNIVERSITY, for the purpose of paying and discharging any 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 or coupons, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. But if, through lapse of time or otherwise, the HOLDERS of said 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 UNIVERSITY.

Section 22.03

The UNIVERSITY covenants and agrees 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 XXIII

IMMEDIATE ESTABLISHMENT OF DEBT SERVICE RESERVE FUND

Section 23.01

Prior to the issuance of any BONDS, the TRUSTEES shall deposit with the STATE TREASURER for deposit in the DEBT SERVICE RESERVE FUND all cash and securities remaining in the cushion fund described in Section 1.01, Paragraph 13, save and except that cash and those securities deposited in the Special Trust Fund established pursuant to the directive of ARTICLE XXIV.

ARTICLE XXIV
SPECIAL TRUST FOR PUBLICLY HELD
OUTSTANDING BONDS

Section 24.01

Prior to the delivery of any BONDS, the aggregate of moneys required to effect the payment of the principal, interest and redemption premium of all outstanding PUBLICLY HELD BONDS shall be deposited with The South Carolina National Bank (now acting as corporate trustee and custodian of the cushion fund established for the outstanding BONDS) in a special and irrevocable trust fund, applicable solely to the payment in full of such PUBLICLY HELD BONDS. The amount to be deposited shall be the aggregate of the principal and interest (to maturity) plus the maximum redemption premium (if any) to become due thereon.

Section 24.02

Such trust shall be evidenced by an instrument in writing which shall prescribe that until the payment of all PUBLICLY HELD OUTSTANDING BONDS no withdrawal therefrom shall be made except to provide for the payment of the principal and interest thereof. PROVIDED, ALWAYS, that the defeasance clause of the proceedings pursuant to which such PUBLICLY HELD OUTSTANDING BONDS were issued shall apply to bonds and coupons for which the PAYING AGENT thereof shall hold on the date of their maturity all moneys required for the payment therefor. Such instrument of trust shall likewise provide that any holder of a PUBLICLY HELD BOND shall be entitled (upon ninety days written notice) to receive payment therefor on any interest payment date prior to the maturity thereof at par and accrued interest to the date of payment. Such instrument of trust shall provide that pending the use of the proceeds of the trust, moneys held by the trustee may be invested and reinvested in obligations permitted by Act No. 438 of 1967, but with such maturities as to insure the availability of funds on each payment date. All income earned from such investments shall be added to the special trust until its termination when, after paying all charges and expenses of the trustee, it shall be remitted to the STATE TREASURER and deposited in the DEBT SERVICE RESERVE FUND. The execution of a proper instrument of trust by the proper officers of the UNIVERSITY is hereby authorized.

ARTICLE XXV
TENOR OF OBLIGATIONS

Section 25.01

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

ARTICLE XXVI
SAVING CLAUSE

Section 26.01

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

ARTICLE XXVII
REPEALING CLAUSE

Section 27.01

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

ARTICLE XXVIII
MULTIPLE EXECUTION

Section 28.01

The BOND 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 the BOND RESOLUTION and all counterparts thereof are to be deemed but one instrument.

ARTICLE XXIX
EFFECTIVE DATE

Section 29.01

The BOND RESOLUTION shall become effective when (1) it has been consented to by holders of all OUTSTANDING BONDS except PUBLICLY HELD OUTSTANDING BONDS, and (2) when the deposit in trust required by ARTICLE XXIV shall have been effected.

DONE IN MEETING DULY ASSEMBLED this 29th day of March, A. D. 1971.

(SEAL)

Chairman of the Board of Trustees of the University
of South Carolina.

Attest:

Secretary of the Board of Trustees of the University
of South Carolina.

STATE OF SOUTH CAROLINA,
COUNTY OF RICHLAND.

I, _____, _____ Secretary of the Board of Trustees of the University of South Carolina, DO HEREBY CERTIFY that the foregoing is a true, correct and verbatim copy of a resolution adopted by said Board of Trustees at a meeting duly called and regularly held on the 29th day of March, 1971, at which meeting a quorum was present and voted unanimously in favor of the adoption of said resolution.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of the Board of Trustees of the University of South Carolina, this _____ day of _____, A. D., 1971.

(SEAL)

Secretary of the Board of Trustees of the University
of South Carolina.

UNIVERSITY OF SOUTH CAROLINA
in
COLUMBIA, SOUTH CAROLINA

OFFICIAL STATEMENT

Relating to the issuance of
\$5,000,000 STADIUM IMPROVEMENT BONDS, SERIES OF
1971, OF THE UNIVERSITY OF SOUTH CAROLINA

Legal Opinion will be furnished by
MESSRS. SINKLER GIBBS SIMONS & GUÉRARD
Attorneys at Law
Charleston, S. C.

SEALED BIDS will be received until 12:00 Noon (EDT)
Wednesday, May 12, 1971
at the office of the State Treasurer, in the
Wade Hampton State Office Building, First Floor,
Columbia, South Carolina

Direct inquiries to BERNARD A. DAETWYLER
Assoc. Vice President for Finance
University of South Carolina
Columbia, S. C.

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OFFICIAL NOTICE OF SALE*

\$5,000,000 STADIUM IMPROVEMENT BONDS, SERIES OF 1971, OF THE UNIVERSITY OF SOUTH CAROLINA

SEALED PROPOSALS addressed to the University of South Carolina, Columbia, South Carolina, will be received by it until 12:00 Noon (EDT),

WEDNESDAY, MAY 12, 1971

at which time the said proposals will be publicly opened in the office of the State Treasurer, Hampton Office Building, Columbia, South Carolina, for the purchase of \$5,000,000 STADIUM IMPROVEMENT BONDS, SERIES OF 1971, OF THE UNIVERSITY OF SOUTH CAROLINA (the Bonds).

The Bonds will be dated May 1, 1971, will be in the denomination of \$5,000 each, will be numbered from 1 to 1000, inclusive, and will mature in annual series or installments, in numerical order, as follows:

\$150,000 on January 1 in each of the years 1973 to 1975, inclusive;

\$175,000 on January 1 in each of the years 1976 and 1977;

\$200,000 on January 1 in each of the years 1978 and 1979;

\$225,000 on January 1 in each of the years 1980 and 1981;

\$250,000 on January 1 in each of the years 1982 and 1983;

\$275,000 on January 1 in each of the years 1984 and 1985;

\$300,000 on January 1 in each of the years 1986 and 1987;

\$325,000 on January 1 in each of the years 1988 and 1989; and

\$350,000 on January 1 in each of the years 1990 to 1992, inclusive.

The Bonds maturing subsequent to January 1, 1981, being Bonds numbered 331 to 1000, inclusive, are subject to redemption, at the option of the University of South Carolina, in whole or in part, but if in part, in inverse numerical order, on January 1, 1981, and all subsequent interest payment dates, at par, plus accrued interest to the date fixed for redemption, plus a redemption premium computed as follows:

- (a) If the redemption be effected on or before January 1, 1986, the redemption premium shall be three and one-half per centum (3½%) of the principal amount of each Bond redeemed; and
- (b) If the redemption be effected after January 1, 1986, but prior to the stated maturity of the Bond, the redemption premium shall be two per centum (2%) of the principal amount of each Bond redeemed.

Bidders are invited to name the rate or rates of interest which the Bonds are to bear, and, unless all bids are rejected, they will be awarded to the bidder offering to take them at the lowest interest cost to the University, at a price of not less than par and accrued interest to the date of delivery. Bidders may name any number of rates of interest, but

- (a) all Bonds of the same maturity shall bear the same rate of interest;
- (b) no rate of interest shall be in excess of seven per centum (7%) per annum;
- (c) all interest payments shall be evidenced by single coupons;
- (d) no rate of interest named shall be more than one per centum (1%) higher than the lowest rate of interest named;
- (e) each interest rate named shall be a multiple of 1/8th or 1/20th of one per centum (1%); and

- (f) any sum named by way of premium shall be paid in cash as a part of the purchase price.

Interest cost will be determined by deducting premium, if any, from the aggregate of interest on the Bonds from May 1, 1971, until their respective maturities. Bidders are requested to present tabulations showing aggregate interest cost in dollars and cents, but such tabulations are not required and will not be regarded as a part of the bid.

The principal of and interest on the Bonds are 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 specified office of any two banks or trust companies (financial institutions) to be mutually agreed upon by the University and the successful bidder, PROVIDED that:

- (a) One of such financial institutions shall be a bank organized under the laws of the State of South Carolina or of the United States maintaining offices in the State of South Carolina; and
- (b) The other of such financial institutions shall be a bank organized under the laws of the State of New York, or of the United States, maintaining its principal office in the City of New York, State of New York, or another city agreeable to the University.

Should it happen that the University and the successful bidder shall fail to agree upon the financial institutions at which the Bonds shall be payable, then, in such event, the said Bonds, both principal and interest, shall be payable at (a) a bank maintaining offices within the State of South Carolina, and (b) the principal office of a banking institution located in the City of New York, State of New York, both to be named by the University.

The Bonds are issued pursuant to the authorizations of Act No. 1279 of the Acts of the General Assembly of the State of South Carolina for the year 1970, approved the 16th day of April, 1970, and resolutions duly adopted by the Trustees of the University of South Carolina.

The Bonds are payable solely from, and are secured by a pledge of the entire revenues derived by the University from: (1) a special student fee imposed upon each person in attendance at any regular session (excluding summer sessions) of the University of South Carolina who is enrolled in a sufficient number of classes or courses for which credit is given toward any degree offered by the University of South Carolina to be classified as a regular full-time student for the purpose of assessing other fees (the Special Student Fee), and (2) a special fee or charge (which shall be in addition to other charges) imposed upon each person admitted to a football game in the stadium at the University of South Carolina from whom an admission charge is required, excluding students admitted as a result of student fees paid to the institution for a regular session (the Admission Fee).

Each proposal must be submitted in writing, must be enclosed in a sealed envelope and marked "PROPOSAL FOR STADIUM IMPROVEMENT BONDS, SERIES OF 1971, OF THE UNIVERSITY OF SOUTH CAROLINA," and be directed to the undersigned. As a condition precedent to the consideration of his proposal, each bidder must enclose with it cash, cashier's, certified, or treasurer's check drawn upon an incorporated bank or trust company, payable to the order of the Treasurer of the University of South Carolina, in the amount of \$100,000, as a good faith deposit. The check of the successful bidder will be applied in part payment for the Bonds or to secure the University from any loss resulting from the failure of such bidder to comply with the terms of his bid. The good faith deposit will be returned to the successful bidder if the University shall fail to deliver the Bonds as provided in this Notice of Sale. No interest will be allowed on the good faith deposit of the successful bidder.

There is no official bid form, but each bid shall be conditioned in accordance with the provisions of this Notice of Sale.

Bids will be accepted or rejected by 2:00 P.M. (EST) on the day of the sale. The University of South Carolina reserves the right to reject all bids, but no auction sale will take place, and if all bids are rejected, the Bonds will be readvertised at a later date.

The proceeds of the Bonds will be applied to the cost of reconstructing the western section of the Stadium at the University of South Carolina and making certain improvements to the playing field therein.

The purchaser of the Bonds will be furnished with the printed bonds and an opinion on their validity by Sinkler Gibbs Simons & Guérard, Attorneys at Law, Charleston, South Carolina, a copy of which will be printed upon the back of

each bond. Purchasers will likewise be furnished with the usual closing proofs, which will include a certificate that there is no litigation threatened or pending to restrain the issuance or sale of said Bonds.

The Bonds will be delivered to the purchasers, in the City of New York, State of New York, within forty-five days after the occasion of their award.

Persons seeking information may obtain an Official Statement relating to the offering of these bonds by communicating with B. A. Daetwyler, Esq., Budget Director, University of South Carolina, Columbia, South Carolina.

UNIVERSITY OF SOUTH CAROLINA,
COLUMBIA, SOUTH CAROLINA

BY THOMAS F. JONES, PRESIDENT.

*Published in THE DAILY BOND BUYER on Monday, April 26, 1971.

PURPOSE OF THE ISSUE

The purpose of this issue is to finance a major addition to the University of South Carolina Stadium. The addition to the existing stadium is necessitated by the increase in football interest in the region as well as the general increase in population and school enrollment.

The complete plans call for an eventual rebuilding of the entire facility. This first phase, now under construction, costing approximately \$8,390,000 requires that the west side of the existing stands be replaced. This will add approximately 15,000 additional seats, new lighting and other support facilities. \$2,750,000 of the first phase cost is already in hand as a result of a designated gift to the University for this purpose. In addition \$640,000 from current Athletic Department funds have been budgeted for this project. This revenue bond issue of \$5,000,000 will provide the balance needed for the first phase addition. A later issue of approximately \$5,000,000 will provide the balance needed to complete the rebuilding.

AUTHORITY FOR ISSUANCE

Stadium Improvement Bonds are issued pursuant to Act No. 1279 of the Acts of the General Assembly of the State of South Carolina for the year 1970 and resolutions duly adopted by the Board of Trustees of the University. The validity of said Act and the authority of the Board of Trustees to issue the Bonds was upheld by the South Carolina Supreme Court in its decision in the case of *Moye v. University of S. C.* decided October 10, 1970, and reported in 177 S.E. 2d 137.

RESOLUTIONS AUTHORIZING STADIUM IMPROVEMENT BONDS

Pursuant to the authorizations of the Act the Trustees of the University adopted, on March 29, 1971, a resolution which authorizes and makes provision for the securing of all Stadium Improvement Bonds of the University (the Basic Resolution). The Basic Resolution, which appears in full in this brochure, obligates the University to impose a Special Student Fee upon all persons in attendance at any regular session of the University (excluding summer sessions) and enrolled in a sufficient number of courses or classes for which credit is given toward any degree offered by the University to be classified as a regular full-time student. The Resolution also provides for an Admission Fee upon each person admitted to

a football game in Carolina Stadium except students admitted as a result of student fees.

The Basic Resolution contains a covenant providing that no person liable for the Special Student Fee may attend the University without prior payment of the Fee. It also provides that the amount of the fees shall be at all times sufficient to meet the payment of the principal and interest of all bonds secured thereby and to maintain a cushion or reserve in the Debt Service Fund of cash and securities of a market value equal to the maximum annual principal and interest requirement of all Stadium Improvement Bonds at any time outstanding. The Resolution also provides that any sums received as contributions from the Athletic Department of the University shall be deposited in the Debt Service Fund. As of this time such contributions amount to \$100,000.

HISTORY OF STADIUM IMPROVEMENT FEE

As a means of financing reconstruction of the Stadium, the South Carolina General Assembly passed enabling legislation (Act No. 1279 of 1970) to impose certain student fees, admissions fees and to provide other sources of revenue to support an improvement bond issue. As a result of this legislation a student fee of \$10.00 per semester for every full-time student was imposed beginning with the Fall semester 1970. In addition an Admission fee of \$1.00 per ticket sold to each home football game was also begun during the 1970 football season. Also, a contribution of \$100,000 from the Athletic Department has been made. As a result of the collection from these three sources the Debt Service Reserve account has had deposits to date in the amount of \$511,891.

Prior to the passage of Enabling Act No. 1279 of 1970 there had been an admissions fee of 25¢ on each ticket sold for football events in Carolina Stadium. This fee was pledged to the amortization of two previous renovation loans; one of \$300,000 in 1957 and the other for \$150,000 in 1960. Both of these loans have now been fully paid and the Debt Service Reserve account had a balance of \$197,740. The 25¢ Admission fee has been replaced with the new fee of \$1.00 and

the balance of \$197,740 in the Debt Service Reserve account has been transferred to the new Debt Service Reserve account established for this proposed \$5,000,000 bond issue.

Consequently, as a result of the new fees accumulated, which in 1970 amounted to \$511,891, plus the transfer of the old Reserve account, there is now on hand \$709,631 in the new Debt Service Reserve account.

USE OF ACCUMULATIONS

The Basic Resolution provides that on or before the delivery of the issue of bonds now offered, all accumulations from the Special Student Fee and Admission Fee will be deposited with the State Treasurer as a part of the Debt Service Fund established by the Basic Resolution, to secure the Stadium Improvement Bonds of 1971. Upon delivery of the accumulations of the Fees to the State Treasurer, he may cause the same to be invested and reinvested in obligations of the United States, or any agency thereof, guaranteed by the United States, with maturities consonant with the need for funds.

FUTURE DISPOSITION OF SPECIAL STUDENT FEE AND ADMISSION FEE

The proceedings direct the Treasurer of the University to remit from time to time, as collected, all proceeds from the Special Student Fee and the Admission Fee directly to the State Treasurer, who is further directed to place the moneys so received in the Debt Service Fund.

FURTHER STADIUM IMPROVEMENT BONDS

In addition to the issue of Stadium Improvement Bonds now offered, the University may issue further Stadium Improvement Bonds on a parity with those now outstanding, but only under the following conditions:

(1) On the occasion of the issuance of additional Stadium Improvement Bonds, the amount of the cushion or reserve in the Debt Service Fund must equal or exceed the maximum annual debt service requirements of all Stadium Improvement Bonds then outstanding and all Stadium Improvement Bonds then proposed to be issued;

(2) the admission fee and the special student fee have been imposed and shall be in effect; and

(3) the sums estimated to be received from the admission fee and the special student fee in each fiscal year during which bonds are to be outstanding shall be sufficient to provide for the punctual payment of the principal and interest of all bonds to be outstanding and to maintain the cushion or reserve in the Debt Service Fund in an amount equal to the maximum annual debt service requirements for any succeeding fiscal year of all bonds to be outstanding.

DEBT SERVICE REQUIREMENTS FOR STADIUM IMPROVEMENT BONDS NOW OFFERED

The following table sets forth the debt service requirements of the Stadium Improvement Bonds now offered. The debt service requirements of the Stadium Improvement Bonds, Series of 1971, which are offered hereby, have been computed for the purposes of this table, at 6% per annum.

PRO FORMA DEBT SERVICE REQUIREMENTS OF STADIUM IMPROVEMENT BONDS TO BE OUTSTANDING

<i>Fiscal Year Ending 6/30</i>	<i>Total Debt Service</i>
1972	\$400,000
1973	441,000
1974	432,000
1975	448,000
1976	437,500
1977	452,000
1978	440,000
1979	453,000
1980	439,500
1981	451,000
1982	436,000
1983	446,000
1984	429,500
1985	438,000
1986	420,000
1987	427,000
1988	407,500
1989	413,000
1990	392,000
1991	371,000

OTHER INDEBTEDNESS OF THE UNIVERSITY OF SOUTH CAROLINA

In addition to the Stadium Improvement Bonds, three other classes of debt have been incurred by or on behalf of the University of South Carolina. These include the following:

- (1) General Obligation bonds of the State of South Carolina, known as "State Institution Bonds." These bonds are secured by a pledge of the full faith, credit and taxing power of the State of South Carolina and in addition by a pledge of tuition fees collected at the University of South Carolina. State Institution Bonds issued on behalf of the University and outstanding as of this date amount to \$17,855,000.
- (2) Student and Faculty Housing Revenue Bonds. These bonds are secured by revenues derived from student and faculty housing facilities. As of this date there are \$16,053,000 of bonds outstanding in this category. An additional issue of \$2,600,000 will be sold in the near future.
- (3) Plant Improvement Bonds which are secured by a Student Activities fee collected from each student during Fall and Spring registrations. Proceeds from these bonds were applied to build student activities type structures. As of this date there were outstanding \$4,093,000 of these bonds.

PERTINENT FACTS ABOUT THE UNIVERSITY

The University of South Carolina is the largest institution of higher education in South Carolina. It is expanding academically and physically to meet the challenge of the times and to better perform its function of service to the State. It is a prime mover in the economic and social growth of the State.

HISTORY

The University of South Carolina is the 25th oldest institution of higher education in the nation and the first to be fully supported by any state. Founded in 1801, it opened its doors to its first class of nine in 1805. When classes began, there was only one building, which contained classrooms, a chapel and facilities for lodging both students and faculty. Now called Rutledge College, this building, remodeled and still in use today, is in the center of the "old" campus of the University, known as the Horseshoe.

In the first half of the nineteenth century, with liberal financial backing, the University grew to be one of the finest schools in the country. The faculty and administration boasted many nationally known scholars including Jonathan Maxcy, first president; Francis Lieber; and Joseph LeConte.

In 1862 the University closed because of the Civil War, the entire student body enlisted, and its buildings were turned over to the Confederate government to be used as a hospital. This development saved the buildings, because the presence of Union and Confederate patients saved the school from Gen. William T. Sherman, who burned and destroyed the entire City of Columbia.

Following the upheavals, reorganizations and setbacks of the 1800's, the University began a long climb to becoming again one of the fine schools in the nation.

LOCATION

The University of South Carolina main campus is located in downtown Columbia within two blocks of the State Capitol. Midway between New York and Miami on U. S. 1 (with Interstate 20, Interstate 26 and many other federal highways intersecting here), Columbia has twice been designated an "All America City" in national competition. With a population of over 315,000 in the Columbia metropolitan area, the city lies almost at the geographical center of the state. Major airlines offer jet service out of a new \$6 million airport only 15 minutes from campus. A widespread system of modern highways brings the main campus of the University within a two-hour drive of any point in the State.

ENROLLMENT

Total enrollment (70-71) in baccalaureate and post baccalaureate programs on the University's main campus in Columbia was 13,558. Regional campuses accounted for 3,486 students. Students come from 49 states (all except Montana) and 36 foreign countries. With 80.5% of the student body from South Carolina, every county was well represented in proportion to its college age population. Graduate School enrollment is 1,619. Some 4,400 are enrolled in extension and correspondence programs.

University Fall semester enrollments for the last four years and the estimate for the 1971-72 academic year are as follows:

	1967-68	1968-69	1969-70	1970-71	1971-72
Main Campus	10,833	11,357	12,455	13,558	14,670
Regional Campuses	2,273	2,490	2,634	3,486	4,290
TOTAL	13,106	13,847	15,089	17,044	18,960

The University's projected enrollment for 1975 for all campuses is 22,200. By 1980 the University expects 26,530 to be enrolled.

FACULTY

The University of South Carolina faculty numbers 632 with 343 on the main campus holding a doctoral degree.

DEGREES OFFERED

The University offers the doctoral degree in 16 areas; master's degree in 35 areas; 50 programs of study leading to the bachelor's degree, nine programs to the associate degree; and 3 programs leading to the advanced certificate.

Doctoral degrees offered include:

Doctor of Philosophy (in biology, business administration, chemistry, comparative literature, economics, education, engineering, English, geology, history, international studies, mathematics, physics, political science and psychology).

Juris Doctor

The University confers master's degrees as follows:

Master of Arts (in anthropology and sociology, comparative literature, economics, education, English, foreign languages, geography, history, international studies, journalism, linguistics, mathematics, philosophy, political science, psychology, theatre)

Master of Science (in biology, business administration, chemistry, engineering, geography, geology, mathematics, pharmacy, physics)

Master of Accountancy

Master of Arts in Teaching

Master of Business Administration

Master of Education

Master of Engineering

Master of Mathematics

Master of Music Education

Master of Public Administration

Master of Social Work

Master of Transportation

Bachelor's degrees are awarded in the following programs of study:

Bachelor of Arts (with a major in anthropology, anthropology-sociology, art, classical studies, economics, French, foreign languages, geography, history, international studies, Latin American studies, music, philosophy, political science, psychology, religious studies, sociology, theatre)

Bachelor of Science (with a major in biology, chemistry, computer science, economics, geography, geology, mathematics, naval science, physics, psychology, sociology)

Bachelor of Fine Arts

Bachelor of Music

Bachelor of Science in Chemistry

Bachelor of Science in Medical Technology

Bachelor of Science in Business Administration (with a major in accounting; banking, finance, insurance and real estate; business economics; management; marketing)

Bachelor of Science in Office Administration

Bachelor of Arts in Education (with a major in early childhood education, elementary education, or secondary education)

Bachelor of Science in Education (with a major in secondary education)

Bachelor of Arts in Journalism (with a concentration in news-editorial, advertising, or radio-television)

Bachelor of Science in Engineering (majors include those normally categorized as Civil, Chemical, Electrical and Mechanical Engineering, as well as new categories)

Bachelor of Science in Nursing

Bachelor of Science in Pharmacy (with a program in pharmacy or pharmacy-pre-medical studies)

The University of South Carolina awards associate degrees as follows:

Associate in Arts

Associate in Science (with a major in commercial science, institutional administration, law enforcement, penology, pre-school education, retailing management, secretarial science, or technical nursing)

Advanced certificates are awarded in the following areas:

Advanced certificate (in educational administration; guidance and counseling, vocational rehabilitation counseling)

RESERVE OFFICER TRAINING

Military training is not compulsory at the University of South Carolina. Through Naval and Air Force Reserve Officers Training programs the University is cooperating with the Department of Defense in an effort to provide a steady supply of well-educated officers for active and reserve forces of the Nation.

LIBRARIES

The University's library collection of over 1½ million books and microtexts is housed in seven libraries on the main campus.

RESEARCH

One of the primary functions of a university is research. Total research grants at South Carolina to bureaus, departments and individual professors during the past fiscal year amounted to \$4,128,192.

Permanently established research bureaus and institutes include:

Bureau of Governmental Research and Service, Bureau of Business and Economic Research, Bureau of Urban and Regional Affairs, Institute of Research for Underprivileged, Traffic and Transportation Center, Institute of International Studies, Belle W. Baruch Coastal Research Institute, and Institute of Archeology and Anthropology.

ATHLETICS

The University maintains intercollegiate competition in football, basketball, baseball, track and field, swimming, cross country, tennis and golf.

ALUMNI

The University of South Carolina Alumni Association serves more than 21,500 alumni in 49 states and 46 foreign countries. Approximately 75% of alumni live in South Carolina. Financial support from alumni in 1969 amounted to \$214,720.

ADMINISTRATION

The University is governed by a Board of Trustees (one member from each of the State's 16 judicial circuits elected by the General Assembly); President; provost; four vice presidents (heading divisions of student affairs, business affairs, ad-

vanced studies and research, and development); and deans of each of the 11 schools and colleges.

SCHOOLS AND COLLEGES

Eleven schools and colleges form the University . . . College of Arts and Science, College of Business Administration, School of Education, College of Engineering, School of Journalism, School of Nursing, School of Pharmacy, College of General Studies, Graduate School, Graduate School of Social Work and School of Law. A Graduate School of Library Science will open in 1972.

The University of South Carolina is accredited by the Southern Association of Colleges and Secondary Schools. All of its professional colleges and schools are fully accredited by accrediting agencies in their respective fields.

REGIONAL CAMPUSES

Seven regional campuses complement the main campus in Columbia. These campuses, which offer freshman and sophomore residence credit courses, are located at Aiken, Allendale, Beaufort, Conway, Lancaster, Spartanburg and Union.

By making its freshman-sophomore offerings available in areas close to the homes of prospective students, thus eliminating the need for dormitory facilities, the University has been able to devote increased space to its academic program with consequent savings to both student and taxpayer.

BUDGET

The total operating budget for the current fiscal year is \$37 million. Of this amount \$16½ million was appropriated by the State and the remainder was derived from student fees and other miscellaneous revenue.

BUILDING AND GROUNDS

Physical growth at the University of South Carolina is indicative of the total, well-rounded growth of the institution in the last ten years.

Completed since 1967 have been the Physical Sciences Center with a construction cost of \$3.8 million; Capstone House (women's residence hall), \$3.8 million; Humanities Center, \$1.7 million; Carolina Coliseum, \$8.7 million; The Roost (men's residence hall), \$1.1 million; and Bates House (men's residence hall), \$3 million.

The University owns over 400 acres of land in and around Columbia. The central part of campus occupies more than 100 acres in the heart of the city, having been extended considerably by Urban Renewal and other acquisitions. Total value of University of South Carolina holdings in and around Columbia is about \$80,000,000.

A physical expansion program in excess of \$100 million over the next five years will add further distinction to the academic program as well as the physical plant. Facilities projected to be completed by 1975 includes student health service building, physical education building, College of Business Administration, School of Nursing, School of Law and central library. Plans for two new residence halls, parking garages, and an addition to Carolina Stadium are in process.

Residence hall capacity for Columbia campus students is as follows:

	Buildings	Occupancy
Men's Residences	34	3,602
Women's Residences	7	2,556
Married Students Apartments	28	428 (Apts.)
	69	6,586

Currently, the University houses approximately 50% of the campus students.

SPECIAL TAX ADVANTAGE ACCRUING TO INSURANCE COMPANIES DOING BUSINESS IN SOUTH CAROLINA

Section 37-122, Code of Laws of South Carolina, 1962, imposes a graded license fee upon all life insurance companies not incorporated under the laws of South Carolina but licensed to do business in South Carolina. This license fee is 2% of the total premium income or total premium receipts derived from South Carolina during each year, less any dividends or bonuses paid in cash or applied in abatement of such premiums.

Section 37-123, as amended, provides a reduction in that fee if the Company invests the reserve, or portions thereof, in the policies issued in South Carolina in certain securities or property in South Carolina, including bonds issued by the State of South Carolina or any of its counties, municipalities or subdivisions.

It provides that if one-fourth of this reserve is invested in such securities, the tax shall be 1½%; if one-half of such reserve be so invested, the tax shall be 1¼%; if three-fourths of such reserve be so invested, the tax shall be 1⅓%; and if the entire reserve be so invested, the tax shall be 1%.

Section 37-124 imposes a similar graded license fee on other types of insurance companies, incorporated elsewhere than South Carolina, but licensed to do business in South Carolina. This tax is imposed upon the total premiums derived from South Carolina, less returned premiums and dividends paid to policy holders in South Carolina. However, if the Company doing business shall establish that the premium receipts for South Carolina were invested in South Carolina investments of the sort set forth in Section 37-123, then the license fee is reduced in accordance with the schedule set forth therein.

In the decision in the case of *State of South Carolina v. Life Insurance Company of Georgia*, filed June 11, 1970, 175 S.E. 2d 203, the Supreme Court of South Carolina held that the calculations contemplated by the foregoing sections of the Code must be made as of December 31 of each year.

OPINION OF COUNSEL

The opinion of Messrs. Sinkler Gibbs Simons & Guérard, Bond Counsel, 2 Prioleau Street, Charleston, S. C., will be furnished without charge to the successful purchaser of each issue. This opinion will state:

1. The Bonds are valid and special obligations of the University, payable solely from, and secured by a pledge of, revenues derived from the Special Student Fee and Admission Fee. They do not constitute a general indebtedness of the University, nor an obligation of any sort of the State of South Carolina.

2. The pledge of revenues made by the Basic Resolution to secure the Bonds is valid and bindings, and has priority over all pledges heretofore or hereafter made, except any pledge made to secure additional parity bonds if such additional parity bonds are issued in the manner prescribed by the Basic Resolution.

3. The University is obligated by law to perform the obligations imposed upon it by the Basic Resolution with respect to the imposition, maintenance, collection and use of the Special Student Fee and the Admission Fee, and the establishment and maintenance of the Debt Service Fund.

The University owns over 400 acres of land in and around Columbia. The central part of campus occupies more than 100 acres in the heart of the city, having been extended considerably by Urban Renewal and other acquisitions. Total value of University of South Carolina holdings in and around Columbia is about \$80,000,000.

A physical expansion program in excess of \$100 million over the next five years will add further distinction to the academic program as well as the physical plant. Facilities projected to be completed by 1975 includes student health service building, physical education building, College of Business Administration, School of Nursing, School of Law and central library. Plans for two new residence halls, parking garages, and an addition to Carolina Stadium are in process.

Residence hall capacity for Columbia campus students is as follows:

	Buildings	Occupancy
Men's Residences	34	3,602
Women's Residences	7	2,556
Married Students Apartments	28	428 (Apts.)
	69	6,586

Currently, the University houses approximately 50% of the campus students.

SPECIAL TAX ADVANTAGE ACCRUING TO INSURANCE COMPANIES DOING BUSINESS IN SOUTH CAROLINA

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It provides that if one-fourth of this reserve is invested in such securities, the tax shall be 1½%; if one-half of such reserve be so invested, the tax shall be 1¼%; if three-fourths of such reserve be so invested, the tax shall be 1⅓%; and if the entire reserve be so invested, the tax shall be 1%.

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2. The pledge of revenues made by the Basic Resolution to secure the Bonds is valid and bindings, and has priority over all pledges heretofore or hereafter made, except any pledge made to secure additional parity bonds if such additional parity bonds are issued in the manner prescribed by the Basic Resolution.

3. The University is obligated by law to perform the obligations imposed upon it by the Basic Resolution with respect to the imposition, maintenance, collection and use of the Special Student Fee and the Admission Fee, and the establishment and maintenance of the Debt Service Fund.

4. The Bonds and the interest thereon are exempt from all State, County, School District, Municipal 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, and, under presently

existing statute law, as now judicially construed, the interest thereon is exempt from Federal Income Taxes.

A copy of the approving opinion will be printed on the back of each of said bonds if the purchaser so requests.

CONCLUSION

It is hoped that the foregoing information will be of assistance. If there are any further inquiries please address them to Mr. Bernard A. Daetwyler, Assoc. Vice President for Finance, University of South Carolina, Columbia, South Carolina. (Telephone 765-4248, Area Code 803).

THOMAS F. JONES, President
UNIVERSITY OF SOUTH CAROLINA

ACT NO. 1279 OF 1970

An Act To Empower The Trustees Of The University Of South Carolina To Issue Special Obligation Bonds To Pay For The Cost Of Enlarging And Improving Carolina Stadium; To Prescribe The Conditions Under Which Such Bonds May Be Issued And To Make Provision For The Payment Thereof.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. *Definitions.*—Unless the context clearly requires otherwise, the following defined terms shall have the meanings given to them in Section 1 of this act.

(1) The term "Admission Fee" shall mean the special fee or charge (which shall be in addition to other charges) imposed upon each person admitted to a football game in Carolina Stadium at the University of South Carolina from whom an admission charge is required, excluding students admitted as a result of student fees paid to the institution for a regular session.

(2) The term "Bonds" shall mean the special obligation bonds of the University of South Carolina authorized by this act.

(3) The term "Carolina Stadium" shall mean the football stadium of the University of South Carolina located in the City of Columbia.

(4) The term "Debt Service Fund" shall mean the fund established by this act for the payment of the principal and interest of the bonds.

(5) The term "Improvements" shall mean the enlargement and improvements to Carolina Stadium including all necessary equipment.

(6) The term "Special Student Fee" shall mean the fee authorized by this act to be established by the University to provide funds to assist in the repayment of bonds authorized under this act and imposed upon each person in attendance at any regular session (excluding summer sessions) of the University of South Carolina who is enrolled in a sufficient number of classes or courses for which credit is given toward any degree offered by the University of South Carolina to be classified as a regular full-time student for the purpose of assessing other student fees.

(7) The term "State Board" shall mean the State Budget and Control Board.

(8) The term "Trustees" shall mean the Board of Trustees of the University of South Carolina.

(9) The term "University" shall mean the University of South Carolina, located in the City of Columbia.

SECTION 2. *Findings.*—As an incident to the enactment of this act the General Assembly has made the following findings of fact:

1. Improvements to Carolina Stadium are required at a presently estimated cost of five million dollars.

2. The trustees have sought, and the General Assembly is minded to grant to the trustees the power to raise moneys required for the improvements through the authorizations of this act which empowers the trustees to pay the principal and interest of the bonds from the proceeds of the following:

- i. the admission fee;
- ii. the special student fee;
- iii. the other sources herein provided or authorized.

SECTION 3. *Action confirmed.*—The right of the trustees to construct the improvements thereafter to operate and maintain the same is affirmed.

SECTION 4. *May issue bonds.*—Subject to obtaining the approval of the State board expressed by resolution duly adopted, the trustees are hereby authorized to issue not exceeding five million dollars of bonds.

SECTION 5. *Credit of State not to be pledged.*—The faith and credit of the State of South Carolina shall not be pledged for the payment of the principal and interest of the bonds and there shall be on the face of each bond a statement plainly worded to that effect. Neither the members of the trustees nor any other person executing the bonds shall be personally liable thereon.

SECTION 6. *Adoption of resolutions.*—In order to utilize the authorizations of this act, the trustees on behalf of the University, shall adopt resolutions providing for the issuance of the bonds within the limitations herein mentioned, and by such resolution shall prescribe the tenor, terms and conditions of the bonds and the obligations of the University incurred in connection with their issuance. The bonds may be issued either as a single issue or from time to time as several separate issues. In the event that the bonds shall be issued as two or more issues, then notwithstanding, all bonds shall be on a parity in all respects *inter sese* and shall be equally and ratably entitled to payment from the sources herein provided therefor.

SECTION 7. *Maturity - denominations - redemption.*—The bonds shall be issued as serial bonds, maturing in equal or unequal amounts, at such times and on such occasions and shall be in such denominations as the trustees shall determine; *provided*, always, that the last maturing bonds of any issue shall be expressed to mature not later than twenty years from their date, and the first maturing bonds of any issue, shall fall due not later than two years from their date. They shall bear such rate of interest, payable on such occasions as the trustees shall prescribe, and shall be payable in such medium of payment, and at such place as such resolutions shall prescribe. Any bonds may be issued with provisions permitting their redemption prior to their stated maturity at such time and under such conditions as the trustees shall prescribe. Bonds made subject to redemption prior to their stated maturities may contain a provision requiring the payment of a premium for the privilege of exercising the right of redemption, in such amount as the trustees shall prescribe. All bonds that are subject to redemption shall contain a statement to that effect on the face of each bond. Any resolution authorizing redeemable bonds shall contain provisions, specifying the manner of call and the notice thereof that must be given.

SECTION 8. *Form.*—The bonds may be in the form of negotiable coupon bonds, payable to bearer, with the privilege to the holder having them registered as to principal on the books of the treasurer of the University, or on registry books kept for the University by the State Treasurer or by any corporate trustee, and the principal thus made payable to the registered holder, unless the last registered transfer shall have been to bearer, upon such conditions as the Trustees of the University shall prescribe; or the bonds may be issued as fully registered bonds in such form as may be prescribed by the trustees. If issued as fully registered bonds, it may be provided that they may thereafter be converted into negotiable coupon bonds of the tenor first above described.

SECTION 9. *Exempt from taxes.*—The bonds and all interest to become due thereon shall have the tax-exempt status prescribed by Section 65-4.1 of the 1962 Code.

SECTION 10. *Investment in bonds.*—It shall be lawful for all executors, administrators, guardians and fiduciaries and all sinking fund commissions to invest any moneys in their hands in such bonds.

SECTION 11. *Execution.*—The bonds and the coupons, if any, attached to the bonds, shall be executed in the name of University in such manner and by such persons as the trustees shall from time to time determine, and the seal of the University shall be reproduced, affixed to or impressed on each bond. Any coupons attached to the bonds shall be authenticated by the facsimile signatures of one or more of the persons signing the bonds. The delivery of the bonds and coupons so executed shall be valid notwithstanding changes in officers

or seal occurring after such execution and prior to the delivery thereof.

SECTION 12. Sale.—All bonds shall be disposed of in such manner as the trustees shall determine, except that no sale, privately negotiated without public advertisement, shall be made unless the approval of the State board shall be obtained. If the trustees shall elect to sell the bonds at public sale, at least one advertisement thereof shall appear in a financial paper published in the City of New York or some other newspaper of general circulation in South Carolina, not less than ten days prior to the occasion fixed for the opening of bids.

SECTION 13. Proceeds.—The proceeds of all bonds shall be delivered to the State Treasurer and retained by him in a special fund and applied solely to the purposes for which such bonds shall have been issued. Withdrawals from the fund shall be made on the order or requisition of the trustees and shall be in such form as the State Treasurer shall prescribe. The State Treasurer may make temporary investments of funds derived from the proceeds of bonds in the manner prescribed by law.

SECTION 14. Debt Service Fund.—To the end that provisions be made for the adequate payment of the principal of and interest on the bonds:

(1) The State Treasurer is authorized and empowered to place in the Debt Service Fund any accumulation of moneys in his hands derived from the twenty-five cent admission charge imposed by Act No. 466 of 1957 and by Act No. 905 of 1960 to secure obligations of the University heretofore incurred in connection with the construction or improvement of Carolina Stadium pursuant to the aforesaid acts, after first making provision for the payment of the remaining principal balance due on such outstanding obligations; and the twenty-five cent admission charge shall no longer be imposed.

(2) The trustees shall place into effect (prior to the issuance of any bonds) both the admission fee, which shall be not less than one dollar per person and the special student fee. Such fees established on a basis and in such amount as will be necessary to provide for the payment of the principal and interest of the bonds as the same mature and to provide an adequate cushion or reserve therefor in the Debt Service Fund. Both the admission fee and the special student fee may be imposed as soon after the effective date of this act as the trustees determine. It shall be the duty of the trustees to calculate the debt service requirements of the bonds not less frequently than annually and at such time appropriate revisions of both the admission fee and special student fee shall be made if such revisions shall be required to make adequate provision for the payment of principal and interest of the bonds and the maintenance of the cushion or reserve in the Debt Service Fund.

The special student fee shall bear such nomenclature as the trustees shall prescribe and it may, in the discretion of the trustees, be included as a part of any other fee, but it shall remain the duty of the trustees to account for the receipts from the special student fee to the State Treasurer.

SECTION 15. Further.—The trustees shall be empowered to deposit, in the Debt Service Fund, prior to the issuance of any bonds, moneys derived from other sources, including funds raised by the Athletic Department of the University. They shall also be empowered throughout the life of the bonds to make payments from such other sources to the Debt Service Fund and in calculating, the amount or rate of the admission fee and special student fee for any year they may take into account all moneys then actually paid to the Debt Service Fund from such other sources which are then available to meet the payment of the principal and interest on the bonds for such year.

SECTION 16. Powers of trustees.—In the resolutions authorizing the issuance of the bonds the trustees shall be empowered as follows:

(1) To covenant and agree throughout the life of the bonds, that the admission fee and the special student fee shall be imposed, maintained and revised when necessary, in such amount, without limitation as to rate, as shall be sufficient to meet the payment of the principal and interest of the bonds as they become due, and to create such cushion or reserve fund therefor as may be agreed to. The cushion or reserve shall be used only to meet the payment of the principal and interest on the bonds under such conditions as the

trustees shall prescribe, and shall be maintained in such manner as to insure its availability therefor.

(2) To establish the Debt Service Fund which shall be maintained at the hands of the State Treasurer.

(3) To covenant that all revenues derived from the admission fee and the special student fee be paid to the State Treasurer for the deposit in the Debt Service Fund.

(4) To establish appropriate rules requiring the payment of the admission fee and the special student fee.

(5) To covenant as to the use of the proceeds of the sale of the bonds.

(6) To provide for the terms, forms, registration, exchange, execution and authentication of bonds and for the replacement of lost, destroyed or mutilated bonds.

(7) To covenant for the mandatory redemption of bonds on such terms and conditions as the resolutions authorizing the bonds shall prescribe.

(8) To prescribe the procedure, if any, by which the terms of the contract with the bondholders may be amended, the number of bonds whose holders must consent thereto, and the manner in which the consent shall be given.

(9) To covenant to insure Carolina Stadium against loss by fire, or other casualty.

(10) To operate and maintain Carolina Stadium in good repair and to covenant that all varsity football games of the University, which are "home" games be played at Carolina Stadium.

(11) To prescribe the events of default and the terms and conditions upon which all or any bonds shall become or may be declared due before maturity, and the terms and conditions upon which such declaration and its consequences may be waived.

(12) To reserve the right to issue additional bonds payable from the sources herein provided for the payment of the bonds to the extent to which the trustees may hereafter become authorized to issue additional bonds by legislation hereafter enacted, if it shall become necessary in the future to further enlarge or improve Carolina Stadium; and to prescribe the conditions under which such additional bonds may be issued.

(13) To make such further covenants and agreements as may be necessary or desirable in order to market the bonds.

SECTION 17. Duties of State Treasurer.—The State Treasurer is authorized to accept custody of receipts and revenues derived from the imposition of the admission fee and special student fee imposed by the trustees, to deposit the same in the Debt Service Fund, and to utilize the proceeds of the Debt Service Fund for the payment of the principal and interest of the bonds and for the establishment of a cushion or reserve for their payment. It shall be the duty of the trustees to make adequate provisions for the transmission of the revenues derived from such fees to the State Treasurer. Moneys in the Debt Service Fund may be invested and re-invested by the State Treasurer in obligations of the United States or any agency thereof with maturities consonant with the needs of the Debt Service Fund.

SECTION 18. Restrictions on increase of bonds.—The General Assembly reserves the right to amend this act so as to increase the amount of bonds which may be authorized for the purpose of constructing improvements to the University, but only if in the issuance of bonds pursuant to this act as now constituted, the trustees shall have reserved the right to issue additional bonds and shall have prescribed the conditions under which such additional bonds may be issued.

SECTION 19. Use of additional funds.—It is not intended by this act to limit the University in the construction of the improvements to the sums herein provided for such purposes, and if the University shall obtain funds from other sources for such purposes, then in such event, it shall be empowered to apply such funds to the improvements as now contemplated or to provide further improvements for Carolina Stadium.

SECTION 20. Time effective.—This act shall take effect upon approval by the Governor.

Approved the 16th day of April, 1970.

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A RESOLUTION

PROVIDING FOR THE ISSUANCE AND SALE OF STADIUM IMPROVEMENT BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH CAROLINA 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 (hereinafter referred to as the RESOLUTION or the STADIUM IMPROVEMENT BOND RESOLUTION) and the issuance of the bonds provided for herein, the Board of Trustees of the University of South Carolina (the TRUSTEES) finds, as a fact, that each of the statements hereinafter set forth is in all respects true and correct:

1. The University of South Carolina (the UNIVERSITY) is a State institution of higher learning, owned and operated by the State of South Carolina, having been established pursuant to the authorizations of Act No. 1767 of the General Assembly of the State of South Carolina for the year 1801, 5 Statutes at Large, Page 403

2. The UNIVERSITY is under the management and control of a Board of Trustees, comprised in the manner prescribed by Section 22-101, Code of Laws of South Carolina, 1962.

3. The general powers of the TRUSTEES are set forth in Article 1 of Chapter 4, Title 22, Volume 6, Code of Laws of South Carolina, 1962, and the specific powers by which the TRUSTEES adopt the STADIUM IMPROVEMENT BOND RESOLUTION are set forth in Act No. 1279 of the Acts of the General Assembly of the State of South Carolina for the year 1970 (ACT 1279).

4. By Act 1279, the General Assembly recognized that improvements were required for the football stadium of the University of South Carolina, located in the City of Columbia, South Carolina (the Stadium), and in order to raise the moneys required therefor, the Trustees were empowered to issue not exceeding \$5 Million of special obligations of the University of South Carolina, payable from the sources therein specified.

5. By Act 1279 the General Assembly reserved the right to afterwards amend the same so as to increase the amount of bonds which may be issued for the purpose of constructing improvements to the Stadium, but only if in the issuance of the bonds pursuant to said act as now written, the Trustees shall have reserved the right to issue additional bonds and shall have prescribed the conditions under which such additional bonds may be issued.

6. Following the enactment of Act 1279, studies were made to determine the extent to which the Stadium should be enlarged and improved. As a result of such studies it was determined that the western section of the Stadium should be reconstructed immediately and that improvements be made to the playing field, and that, while it appeared necessary and desirable that similar treatment should be given to the eastern section of the Stadium, for the time being nothing should be undertaken in connection with the eastern section of the Stadium, inasmuch as cost estimates for the reconstruction of the western section and the other improvements indicated a need to borrow \$5 Million therefor. Accordingly, plans and specifications were prepared for the reconstruction of the western section of the Stadium and contracts have been let for such undertaking. On such basis it is now determined that \$5 Million must be borrowed for improvements now undertaken and that the authorization granted by Act 1279 should be availed of.

7. It is further found that inasmuch as it is likely that the eastern section of the Stadium will require reconstruction at some later date, the proceedings herewith taken by the Trustees should reserve the right to issue bonds on a parity with those for which provision is made under the terms and conditions herein prescribed.

8. This resolution is therefore adopted for the purpose of making provision for the issuance of bonds authorized by Act 1279 and for the further purpose of providing a vehicle pursuant to which additional Stadium Improvement Bonds may be issued, if, at some later date, the General Assembly amends Act 1279 for the purpose of authorizing additional bonds for additional improvements to the Stadium.

ARTICLE II

DEFINITIONS

Section 2.01

This resolution may hereafter be cited and is hereinafter sometimes referred to either as the STADIUM IMPROVEMENT BOND RESOLUTION or the RESOLUTION.

Section 2.02

In the STADIUM IMPROVEMENT BOND RESOLUTION, unless a different meaning clearly appears from the context:

(1) ACT 1279 shall mean Act No. 1279 of the Acts of the General Assembly of the State of South Carolina for the year 1970. It shall also mean ACT 1279 as changed or modified as a result of legislation hereafter enacted amendatory or supplementary to ACT 1279, enlarging the amount of bonds to be issued thereunder.

(2) ADMISSION FEE shall mean the special fee or charge (which shall be in addition to other charges) imposed upon each person admitted to a football game in Carolina Stadium at the University of South Carolina from whom an admission charge is required, excluding students admitted as a result of student fees paid to the institution for a regular session

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

(4) BONDS shall mean all bonds to be issued pursuant to the RESOLUTION and ACT 1279 as now constituted, and any bonds hereafter issued pursuant to ACT 1279 as herein defined.

(5) DEBT SERVICE FUND shall mean the special fund placed in the hands of the STATE TREASURER pursuant to the provisions of the RESOLUTION and which is designed for the payment of the principal, interest and redemption premium of the BONDS.

(6) 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.

(7) PAYING AGENT shall mean the bank or financial institution at which the principal or interest of any BONDS shall be payable.

(8) SPECIAL STUDENT FEE shall mean the special student fee authorized by ACT 1279 which was heretofore imposed, and is now in effect, to meet the payment of the principal and interest of the BONDS and to provide the cushion or reserve therefor created by the RESOLUTION.

(9) STADIUM IMPROVEMENTS shall mean the enlargement and improvement of the STADIUM.

A RESOLUTION

PROVIDING FOR THE ISSUANCE AND SALE OF STADIUM IMPROVEMENT BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED:

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FINDINGS OF FACT AND INTENT OF RESOLUTION

Section 1.01

As an incident to the adoption of this Resolution (hereinafter referred to as the RESOLUTION or the STADIUM IMPROVEMENT BOND RESOLUTION) and the issuance of the bonds provided for herein, the Board of Trustees of the University of South Carolina (the TRUSTEES) finds, as a fact, that each of the statements hereinafter set forth is in all respects true and correct:

1. The University of South Carolina (the UNIVERSITY) is a State institution of higher learning, owned and operated by the State of South Carolina, having been established pursuant to the authorizations of Act No. 1767 of the General Assembly of the State of South Carolina for the year 1801, 5 Statutes at Large, Page 403

2. The UNIVERSITY is under the management and control of a Board of Trustees, comprised in the manner prescribed by Section 22-101, Code of Laws of South Carolina, 1962.

3. The general powers of the TRUSTEES are set forth in Article 1 of Chapter 4, Title 22, Volume 6, Code of Laws of South Carolina, 1962, and the specific powers by which the TRUSTEES adopt the STADIUM IMPROVEMENT BOND RESOLUTION are set forth in Act No. 1279 of the Acts of the General Assembly of the State of South Carolina for the year 1970 (ACT 1279).

4. By Act 1279, the General Assembly recognized that improvements were required for the football stadium of the University of South Carolina, located in the City of Columbia, South Carolina (the Stadium), and in order to raise the moneys required therefor, the Trustees were empowered to issue not exceeding \$5 Million of special obligations of the University of South Carolina, payable from the sources therein specified.

5. By Act 1279 the General Assembly reserved the right to afterwards amend the same so as to increase the amount of bonds which may be issued for the purpose of constructing improvements to the Stadium, but only if in the issuance of the bonds pursuant to said act as now written, the Trustees shall have reserved the right to issue additional bonds and shall have prescribed the conditions under which such additional bonds may be issued.

6. Following the enactment of Act 1279, studies were made to determine the extent to which the Stadium should be enlarged and improved. As a result of such studies it was determined that the western section of the Stadium should be reconstructed immediately and that improvements be made to the playing field, and that, while it appeared necessary and desirable that similar treatment should be given to the eastern section of the Stadium, for the time being nothing should be undertaken in connection with the eastern section of the Stadium, inasmuch as cost estimates for the reconstruction of the western section and the other improvements indicated a need to borrow \$5 Million therefor. Accordingly, plans and specifications were prepared for the reconstruction of the western section of the Stadium and contracts have been let for such undertaking. On such basis it is now determined that \$5 Million must be borrowed for improvements now undertaken and that the authorization granted by Act 1279 should be availed of.

7. It is further found that inasmuch as it is likely that the eastern section of the Stadium will require reconstruction at some later date, the proceedings herewith taken by the Trustees should reserve the right to issue bonds on a parity with those for which provision is made under the terms and conditions herein prescribed.

8. This resolution is therefore adopted for the purpose of making provision for the issuance of bonds authorized by Act 1279 and for the further purpose of providing a vehicle pursuant to which additional Stadium Improvement Bonds may be issued, if, at some later date, the General Assembly amends Act 1279 for the purpose of authorizing additional bonds for additional improvements to the Stadium.

ARTICLE II

DEFINITIONS

Section 2.01

This resolution may hereafter be cited and is hereinafter sometimes referred to either as the STADIUM IMPROVEMENT BOND RESOLUTION or the RESOLUTION.

Section 2.02

In the STADIUM IMPROVEMENT BOND RESOLUTION, unless a different meaning clearly appears from the context:

(1) ACT 1279 shall mean Act No. 1279 of the Acts of the General Assembly of the State of South Carolina for the year 1970. It shall also mean ACT 1279 as changed or modified as a result of legislation hereafter enacted amendatory or supplementary to ACT 1279, enlarging the amount of bonds to be issued thereunder.

(2) ADMISSION FEE shall mean the special fee or charge (which shall be in addition to other charges) imposed upon each person admitted to a football game in Carolina Stadium at the University of South Carolina from whom an admission charge is required, excluding students admitted as a result of student fees paid to the institution for a regular session

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

(4) BONDS shall mean all bonds to be issued pursuant to the RESOLUTION and ACT 1279 as now constituted, and any bonds hereafter issued pursuant to ACT 1279 as herein defined.

(5) DEBT SERVICE FUND shall mean the special fund placed in the hands of the STATE TREASURER pursuant to the provisions of the RESOLUTION and which is designed for the payment of the principal, interest and redemption premium of the BONDS.

(6) 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.

(7) PAYING AGENT shall mean the bank or financial institution at which the principal or interest of any BONDS shall be payable.

(8) SPECIAL STUDENT FEE shall mean the special student fee authorized by ACT 1279 which was heretofore imposed, and is now in effect, to meet the payment of the principal and interest of the BONDS and to provide the cushion or reserve therefor created by the RESOLUTION.

(9) STADIUM IMPROVEMENTS shall mean the enlargement and improvement of the STADIUM.

(10) STADIUM shall mean the football stadium of the University of South Carolina located in the City of Columbia and commonly known as "Carolina Stadium."

(11) STATE BOARD shall mean the State Budget and Control Board of the State of South Carolina.

(12) STATE TREASURER shall mean the State Treasurer of the State of South Carolina.

(13) SUPPLEMENTAL RESOLUTION shall mean the resolution or resolutions providing for the issuance of BONDS of any series and which prescribe inter alia the date of such BONDS, the maturities thereof, interest rate or rates borne thereby, the paying agents thereof, the form and denomination thereof, the redemption provisions, if any, the method of sale or disposition thereof, and the purpose or purposes to which the proceeds thereof shall be applied.

(14) TRUSTES shall mean the Board of Trustees of the UNIVERSITY.

(15) UNIVERSITY shall mean the University of South Carolina, in the City of Columbia, South Carolina.

(16) Words importing persons include firms, associations and corporations.

(17) Word 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 such BOND.

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

(19) The words "hereof," "herein," and "hereunder," or words of similar import, refer to this RESOLUTION as a whole.

ARTICLE III ISSUANCE OF BONDS

Section 3.01

Subject to the limitations hereafter in this Section 3.01 imposed, BONDS to the extent authorized by ACT 1279 may be issued from time to time by the adoption of a resolution expressed to be supplementary to the STADIUM IMPROVEMENT BOND RESOLUTION (SUPPLEMENTAL RESOLUTION), and, when so authorized and issued, and if issued in accordance with the provisions of the SUPPLEMENTAL RESOLUTION, such BONDS shall be on a parity inter sese in all respects, notwithstanding that they may bear a different date, rate of interest, number, date of execution or date of delivery. The following limitations shall apply to the issuance of BONDS;

(1) BONDS shall be issued only for purposes which are permitted by ACT 1279; and

(2) BONDS shall not be issued unless:

(a) on the occasion of their issuance (which shall be the date of their delivery) the amount of the cushion or reserve in the DEBT SERVICE FUND, computed in the manner prescribed by Section 4.05, shall equal or exceed the maximum annual debt service requirements for any succeeding FISCAL YEAR of all BONDS then outstanding and all BONDS then proposed to be issued;

(b) the ADMISSION FEE and the SPECIAL STUDENT FEE have been imposed and shall be in effect;

(c) the sums estimated to be received from the ADMISSION FEE and the SPECIAL STUDENT FEE in each Fiscal Year during which BONDS are to be outstanding shall be sufficient to provide for the punctual payment of the principal and interest of all BONDS to be outstanding and to maintain the cushion or reserve in the DEBT SERVICE FUND in an amount equal to the maximum annual debt service requirements for any succeeding FISCAL YEAR of all BONDS to be outstanding. The com-

putation required by this clause shall be made by the Chief Financial Officer of the UNIVERSITY and shall be approved by the TRUSTEES.

Section 3.02

All BONDS shall be expressed to mature on January 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 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 shall have such maturities and shall bear such rate or rates of interest as the TRUSTEES shall prescribe in the SUPPLEMENTAL RESOLUTION authorizing the issuance of such BONDS.

Section 3.05

Both the principal and interest of 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 provided for in the SUPPLEMENTAL RESOLUTION of the TRUSTEES providing for the issuance of such particular series of BONDS.

Section 3.06

If in the issuance of any series of 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 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 if all BONDS to be redeemed shall be outstanding in fully registered form, if notice in writing is given to the registered holders thereof not less than thirty days nor more than sixty days prior to the date so fixed for redemption.

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

Section 3.07

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 STATE TREASURER, on registry books to be kept by the STATE TREASURER on behalf of the UNIVERSITY 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 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 UNIVERSITY, each PAYING AGENT, and the STATE TREASURER may treat and consider the bearer of any coupon 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 UNIVERSITY, nor any PAYING AGENT, nor the STATE TREASURER, shall be affected by any notice to the contrary. The UNIVERSITY, each PAYING AGENT, and the STATE TREASURER, may treat and consider the bearer of any coupon appurtenant to any coupon BOND as the 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 UNIVERSITY, nor any PAYING AGENT, nor the STATE TREASURER, shall be affected by any notice to the contrary. The UNIVERSITY, each PAYING AGENT, and the STATE TREASURER, may treat and consider the person in whose name any coupon BOND for the time being shall be registered as to principal upon the books of the STATE TREASURER as the 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 other purposes whatsoever, except for the purpose of receiving payment of coupons, and neither the UNIVERSITY, nor any PAYING AGENT, nor the STATE TREASURER 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 shall be made only to, or upon the order of the person in whose name the same shall be registered. 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 when issued in fully registered form shall be transferable only by the registered owner in person or by his attorney duly authorized; no transfer thereof shall become effective until the transfer shall be duly noted by the STATE TREASURER in the Bond Register to be kept by the STATE TREASURER and the transfer duly noted on the back of the registered BOND. On the occasion of any transfer of any registered 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. The UNIVERSITY and the STATE TREASURER may treat and consider the person in whose name a fully registered BOND shall be registered as the absolute owner thereof for the purpose of receiving payment of the interest, principal or redemption price thereof and for all purposes whatsoever.

Section 3.10

All BONDS shall be executed in the name of the UNIVERSITY by the manual or facsimile signature of the Chairman of the TRUSTEES, under the Corporate Seal of the UNIVERSITY which shall be impressed or reproduced thereon, and attested by the manual signature of the Secretary, or an Assistant Secretary or acting Secretary, of the TRUSTEES. Interest coupons of any BOND issued in coupon form shall be signed by the facsimile signatures of the Chairman and the Secretary, or an Assistant Secretary or acting Secretary, of the said TRUSTEES. Any facsimile signature appearing on the BONDS and coupons may be those of the persons who are in office on the date of the adoption of the SUPPLEMENTAL RESOLUTION prescribed by Section 3.01 hereof. The BONDS shall be manually signed by a person holding office when the BONDS are printed and are ready for delivery. In case any officer whose signature or facsimile of whose signature shall appear on any BONDS or coupons shall cease to be such officer before the delivery of such BONDS, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until the delivery of such BONDS. PROVIDED, that no BOND issued in fully registered form shall be valid unless the certificate of authentication appearing on such BOND shall be duly executed by the STATE TREASURER.

Section 3.11

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 inuring to the benefit of all who shall be the holders or beneficiaries of BONDS.

Section 3.12

In case any 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, 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 and 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 for the bond and coupons, if any, so lost, stolen or destroyed; PROVIDED, in the event any such BOND or coupon shall have matured, instead of issuing a duplicate BOND or coupon, the TRUSTEES may pay the same without the surrender thereof.

Section 3.13

For the punctual payment of the principal and interest of all BONDS now outstanding or hereafter issued, as they respectively mature, and for the creation of a cushion or reserve therefor, there shall be and there is hereby exclusively pledged:

- (a) all sums realized from the ADMISSION FEE;
- (b) all sums realized from the SPECIAL STUDENT FEE; and
- (c) any sums realized from other sources, including funds realized by the Athletic Department of the UNIVERSITY which are made applicable to the payment of the principal and interest of the BONDS.

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, or the interest to become due thereon, and there shall be on the face of each BOND a statement, plainly worded, to that effect. Neither the members of the TRUSTEES, nor any person required by the provisions of this RESOLUTION to sign the BONDS shall be personally liable thereon.

Section 3.15

The form of all BONDS, when outstanding in either coupon form or registered form, shall be as prescribed by the SUPPLEMENTAL RESOLUTION required by Section 3.01 hereof.

ARTICLE IV

IMPOSITION OF FEES AND COVENANTS RELATING THERETO

Section 4.01

To the end that full and adequate provision for the payment of the principal and interest of the BONDS shall be made and in order to fully implement the undertakings of the TRUSTEES to provide for the payment of the principal and interest of the BONDS, and to create an adequate cushion or reserve therefor, the TRUSTEES specially covenant and agree as follows:

- (a) To impose the ADMISSION FEE, which shall never be less than One Dollar (\$1.00) per person, upon each person admitted to a football game in the STADIUM at the UNIVERSITY of South Carolina from whom an admission charge is required, excluding students admitted as a result of student fees paid to the institution for a regular session.

(b) To impose, as a condition of enrollment, the SPECIAL STUDENT FEE established by the UNIVERSITY to provide funds to assist in the repayment of bonds authorized under ACT 1279, as now written or as hereafter amended, and imposed upon each person in attendance at any regular session (excluding summer sessions) of the UNIVERSITY who is enrolled in a sufficient number of classes or courses for which credit is given toward any degree offered by the UNIVERSITY to be classified as a regular full-time student for the purpose of assessing other student fees; and

(c) To review, not less frequently than annually, the sufficiency of the revenues derived from the ADMISSION FEE and the SPECIAL STUDENT FEE, and to maintain and revise the same from time to time, and as often as may be necessary, to such extent, and without limitation as to rate, in order that the revenues therefrom shall, at all times, be sufficient to meet the payment of the principal and interest of the BONDS as they become due, and to maintain in the DEBT SERVICE FUND a cushion or reserve in cash and securities with a market value of not less than the maximum annual principal and interest requirements of all BONDS then outstanding.

Section 4.02

The TRUSTEES covenant and agree that the rule now in effect requiring the payment of the SPECIAL STUDENT FEE as a condition to enrollment at the UNIVERSITY for persons enrolled in a sufficient number of classes or courses for which credit is given toward any degree offered by the UNIVERSITY to be classified as a regular full-time student for the purpose of assessing other student fees, shall continue in effect until all BONDS, both principal and interest, shall be fully paid. The TRUSTEES further covenant and agree that no person shall be admitted to a football game in the STADIUM from whom an admission charge is required, excluding students admitted as a result of student fees paid to the UNIVERSITY, unless such person has paid the ADMISSION FEE.

Section 4.03

The TRUSTEES covenant and agree that on or before the occasion of the delivery of any BONDS, they will cause to be deposited with the STATE TREASURER, as a part of the DEBT SERVICE FUND, as established by Section 6.01, all moneys heretofore collected from the ADMISSION FEE and the SPECIAL STUDENT FEE, all sums accumulated by the STATE TREASURER from the twenty-five cent admission charge imposed by Act No. 466 of 1957 and by Act No. 905 of 1960 to secure obligations (now paid) of the UNIVERSITY heretofore incurred in connection with the construction or improvement of Carolina Stadium pursuant to the aforesaid acts, and all sums heretofore received from the Athletic Department of the UNIVERSITY which have been made applicable to the payment of the principal and interest of the BONDS.

Section 4.04

The TRUSTEES covenant and agree that they will not undertake the redemption of less than all of the outstanding BONDS, if the market value of the cash and securities in the DEBT SERVICE FUND shall be less than the maximum annual principal and interest requirements of the BONDS, plus the amount to become due by way of interest, or principal and interest, on the BONDS on the interest payment date to follow the date fixed for such partial redemption (calculated after giving effect to such proposed redemption), or if such redemption shall result in the reduction of the market value of the cash and securities in the DEBT SERVICE FUND to a sum less than the maximum annual principal and interest requirements for any succeeding FISCAL YEAR of the BONDS then outstanding, plus the aggregate of principal and interest payments of the BONDS for the January 1 and July 1 next ensuing (calculated after giving effect to such proposed redemption).

Section 4.05

For the purpose of determining the amount of the "cushion" or "reserve" in the DEBT SERVICE FUND, as of any occasion in order to determine the right of the UNIVERSITY to issue BONDS under the limitation imposed by Section 3.01 (2) (a), the aggregate value of the cash and securities in the DEBT SERVICE FUND shall be calculated,

and there shall be deducted therefrom the amount to become due by way of interest, or principal and interest, on the BONDS on the interest payment date to follow the date of the delivery of such BONDS, and the remainder so determined shall constitute the amount of the said "cushion" or "reserve."

Section 4.06

The SPECIAL STUDENT FEE herein provided for may, in the discretion of the TRUSTEES, be included as a part of any other fee or fees, but it shall remain the duty of the TRUSTEES to account for the receipts from both the SPECIAL STUDENT FEE and the ADMISSION FEE to the STATE TREASURER.

ARTICLE V

ADDITIONAL COVENANTS

Section 5.01

The TRUSTEES covenant and agree that they will at all times insure the STADIUM and keep the same insured against physical loss or damage however caused, in the same manner and to the same extent that other buildings and physical properties of the UNIVERSITY are insured, and that any expense resulting therefrom will be included in the regular operating budget of the UNIVERSITY.

Section 5.02

The TRUSTEES covenant and agree that they will at all times operate and maintain the STADIUM in good repair and working order.

Section 5.03

The TRUSTEES covenant and agree that all varsity football games of the UNIVERSITY, which are "home" games, will be played at the STADIUM.

Section 5.04

The TRUSTEES further covenant and agree that all revenues derived from the ADMISSION FEE and the SPECIAL STUDENT FEE and funds received from the Athletic Department of the UNIVERSITY, which are applicable to the payment of the principal and interest of the BONDS, will be duly remitted to the STATE TREASURER for deposit in the DEBT SERVICE FUND.

Section 5.05

The TRUSTEES further covenant and agree that they will secure adequate fidelity bonds indemnifying the UNIVERSITY against defalcation of all persons handling moneys received from the ADMISSION FEE and the SPECIAL STUDENT FEE, other than the STATE TREASURER and the PAYING AGENT, and that all moneys received by the UNIVERSITY as the result of any defalcation of any moneys produced by the ADMISSION FEE and the SPECIAL STUDENT FEE shall be paid to the STATE TREASURER and shall become a part of the DEBT SERVICE FUND.

ARTICLE VI

ESTABLISHMENT OF DEBT SERVICE FUND

Section 6.01

There is hereby established a DEBT SERVICE FUND which shall be maintained for so long a time as there remains due and owing any sum by way of principal or interest on any BONDS. The DEBT SERVICE FUND has been created solely to provide for the punctual payment of the principal and interest of the BONDS, as the same respectively become due, and any expenses incidental to such payment, but including only the charges of any PAYING AGENT of the BONDS. It is also intended that the same may be used to meet the payment of the principal of, interest on, and redemption premium (if any) of, the BONDS in the event all outstanding BONDS be redeemed as a whole, or to effect partial redemption of BONDS, if such partial redemption shall not violate the covenant made by Section 4.04.

Section 6.02

The DEBT SERVICE FUND shall be comprised of all receipts, income and revenues that the UNIVERSITY shall derive, directly or indirectly, from the imposition of the ADMISSION FEE and the SPECIAL STUDENT FEE, and sums made available by the Athletic Department of the UNIVERSITY for the payment of the principal and interest of the BONDS, and it shall be the duty of the Treasurer of the UNIVERSITY, or the fiscal officer of the UNIVERSITY designated by the TRUSTEES, to remit the same from time to time and as soon as possible following their receipt, to the STATE TREASURER.

Section 6.03

The DEBT SERVICE FUND shall at all times be kept in the complete custody of the STATE TREASURER who shall from time to time utilize the same by paying over to the PAYING AGENT the sums required for payment of the principal of and interest on the BONDS, as the same become due.

Section 6.04

It shall be the duty of the STATE TREASURER to invest all moneys in the DEBT SERVICE FUND, to the extent practical, in the light of the needs for moneys with which to meet the payment of principal and interest. Such investments shall consist of obligations of the United States or any agency thereof, with maturities consonant with the need of the DEBT SERVICE FUND. All income from any investments shall remain in, and become a part of, the DEBT SERVICE FUND.

ARTICLE VII

DISPOSITION OF PAID COUPON BONDS AND COUPONS

Section 7.01

It shall be the duty of the STATE TREASURER to cancel all BONDS, outstanding in coupon form, which shall have been paid, whether upon their maturity or retirement or redemption prior to maturity, all coupons that have been paid, and all unmatured coupons on coupon BONDS paid or redeemed prior to their stated maturities; such cancellation shall be done in such fashion as to render such BONDS or coupons incapable of further negotiation or hypothecation. Whenever so requested by the UNIVERSITY, the STATE TREASURER shall cause the destruction of such BONDS and coupons by cremation.

ARTICLE VIII

EVENTS OF DEFAULT AND CONSEQUENCES OF DEFAULT AND REMEDIES

Section 8.01

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 shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption; or
- (2) Payment of any installment of interest shall not be made when the same becomes due and payable, or within thirty (30) days thereafter; or
- (3) The UNIVERSITY shall fail to observe the covenants herein made for the imposition, collection and disposition of the ADMISSION FEE and the SPECIAL STUDENT FEE; or
- (4) The UNIVERSITY shall for any reason, be rendered incapable of fulfilling its obligations hereunder; or

- (5) An Order or Decree shall be entered, with the consent or acquiescence of the UNIVERSITY appointing a receiver or receivers of the UNIVERSITY, or any of the revenues derived from either the ADMISSION fee or the SPECIAL STUDENT FEE, or any proceedings shall be instituted with the consent or acquiescence of the UNIVERSITY, for the purpose of effecting a composition between the UNIVERSITY and any creditors, or for the purpose of adjusting claims of any 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 UNIVERSITY, shall not be vacated or discharged or stayed on appeal within sixty (60) days after entry thereof, or, if such proceedings, having been instituted with the consent or acquiescence of the UNIVERSITY, 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
- (6) The UNIVERSITY shall make a default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the BONDS, or in this RESOLUTION, and such default shall continue for thirty (30) days after written notice, specifying such default and requiring the same to be remedied, shall have been given to the UNIVERSITY by holders of not less than 15% of the principal of the BONDS then outstanding.

Section 8.02

If the UNIVERSITY shall be in default as to the payment of any installment of principal or interest upon any BONDS, or if it shall be 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 15% of the principal of the BONDS then outstanding, may, by notice in writing to the UNIVERSITY, declare the principal of all of the BONDS, then outstanding (if not then due and payable) to be due and payable immediately, anything in the BONDS, or herein contained to the contrary notwithstanding; PROVIDED, HOWEVER, that if at any time after the principal of the BONDS shall have been so declared to be due and payable, all arrears of interest, if any, upon all the BONDS then outstanding, and all other indebtedness secured hereby, except the principal of any BONDS not then due by their terms, and the interest accrued on the 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 BONDS, or herein contained, shall be made good, or provision therefor satisfactory to such bondholders shall have been made, then, and in every such case the holders of not less than 15% in principal amount of the BONDS then outstanding may, by written notice to the UNIVERSITY, 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 8.03

Upon the happening and continuance of any event of default as provided in Section 8.01, then, and in every case, any holder of any BOND may proceed, subject to the provisions of Section 8.05, to protect and enforce the rights of all holders of BONDS, by a suit, action or special proceeding in equity, or at law, for the specific performance of any covenant or agreement contained herein or in aid or 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 8.04

In case any proceeding so taken on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to any holder of BONDS, then, and in every such case, the UNIVERSITY and all bondholders shall be restored to their former positions and

rights hereunder, respectively, and all rights, remedies, powers and duties of all parties shall continue as though no such proceedings had been taken.

Section 8.05

No one, or more, bondholder 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 all outstanding BONDS.

Section 8.06

No remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each and every such remedy 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 8.07

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 IX

AGREEMENT TO FURNISH INFORMATION WITH RESPECT TO COLLECTIONS FROM THE ADMISSION FEE AND SPECIAL STUDENT FEE

Section 9.01

The UNIVERSITY recognizes that those who may from time to time own any of the BONDS, will require full information with respect to the collections derived from the ADMISSION FEE and SPECIAL STUDENT FEE and the schedule fixing the amount of both fees from time to time in force. It, therefore, agrees to install and maintain proper records into which complete and correct entries should be made, showing all receipts and disbursements made of the ADMISSION FEE and the SPECIAL STUDENT FEE.

Section 9.02

The UNIVERSITY agrees that upon written notice of any bondholder it will advise such bondholder of the schedule then existing for the ADMISSION FEE and the SPECIAL STUDENT FEE, the amount collected for the previous semester, the aggregate of all remittances made to the STATE TREASURER, and the market value of the cash and securities in the DEBT SERVICE FUND as of the occasion of the last interest payment date, together with such other information as may be reasonably requested.

ARTICLE X

DEFEASANCE

Section 10.01

If all BONDS, and coupons representing interest thereon, issued pursuant to the RESOLUTION, shall have been paid and discharged, then the obligations of the UNIVERSITY under the RESOLUTION, the pledge of revenues made thereby, and all other rights granted thereby shall cease and determine. The BONDS, and the coupons thereof 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, 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, or the interest thereon shall have occurred on the stated maturities of such BONDS, or coupons, and thereafter tender of such payment shall have been made, and the PAYING AGENT shall hold in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

- (3) If the UNIVERSITY shall elect to redeem BONDS prior to their stated maturities, and shall have irrevocably bound and obligated itself to give notice of redemption thereof in the manner prescribed by the RESOLUTION and shall have deposited with the PAYING AGENT, in an irrevocable trust, the aggregate of all sums to become due on the BONDS to the first available redemption date, by way of principal, interest and redemption premium (if any).

Section 10.02

Any moneys which at any time shall be deposited with the PAYING AGENT, by or on behalf of the UNIVERSITY, for the purpose of paying and discharging any 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 and coupons, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. But if, through lapse of time or otherwise, the holders of said 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 UNIVERSITY.

Section 10.03

The UNIVERSITY covenants and agrees 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, and that whenever it shall have elected to redeem BONDS it will irrevocably bind and obligate itself to give notice of redemption thereof, and will further authorize and empower the PAYING AGENT or the STATE TREASURER to cause the publication of such notice of redemption in its name and on its behalf.

ARTICLE XI

TENOR OF OBLIGATIONS

Section 11.01

Every covenant, undertaking and agreement made on behalf of the UNIVERSITY as set forth in this RESOLUTION is made, undertaken and agreed to, for the proper securing of the payment of the principal of and interest on the BONDS. Each shall be deemed to partake of the obligation of the contract between the UNIVERSITY and the holders of the BONDS, and shall be enforceable accordingly.

ARTICLE XII

MODIFICATION OF RESOLUTION

Section 12.01

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 may be adopted, which resolution shall be fully effective in accordance with its terms:

- (1) To close the RESOLUTION against, or provide limitations and restrictions in addition to, the limitations and restrictions contained in the RESOLUTION on the issuance, in the future of additional BONDS.
- (2) To add to the covenants and agreements of the TRUSTEES in the RESOLUTION, 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 IMPROVEMENTS or relative to the

application, custody, use and disposition of the proceeds of any BONDS.

- (3) To surrender any right, power or privilege reserved to or conferred upon the TRUSTEES by the RESOLUTION.
- (4) To cure, correct or remove any ambiguity or inconsistent provisions contained in the RESOLUTION.

Section 12.02

The rights and duties of the TRUSTEES and the bondholders and the terms and provisions of the RESOLUTION may be modified or altered in any respect by resolution of the TRUSTEES with the consent of the holders of seventy-five per centum (75%) in principal amount of the BONDS then outstanding, such consent to be evidenced by an instrument or instruments executed by the holders thereof and duly acknowledged or proved in the manner a deed to be recorded, and such instrument or instruments shall be filed with the TRUSTEES and the STATE TREASURER, but no such modification or alteration shall:

- (1) Extend the maturity of any payment of principal or interest due upon any BONDS;
- (2) Effect a reduction in the amount which the TRUSTEES are required to pay by way of principal, interest or redemption premium;
- (3) Effect a change as to the type of currency in which the TRUSTEES are obligated to effect payment of the principal, interest and redemption premiums of any BONDS;
- (4) Permit the creation of a lien on the ADMISSION FEE and the SPECIAL STUDENT FEE prior to or equal to the lien of the BONDS;
- (5) Permit preference or priority of any BONDS to others;
- (6) Alter or modify the provisions of ARTICLE IV; or
- (7) Reduce the percentage of BONDS required for the written consent to any modification or alteration of the provisions of the RESOLUTION.

Section 12.03

Whenever it shall become necessary to determine whether any number of those who may be the holders of BONDS have taken any action required or permitted of them by any provision of the RESOLUTION, and it shall thus become necessary to determine who shall be the holders of BONDS, the STATE TREASURER and any person, firm, agency or court required to make the determination shall have, and are hereby granted, the power to make, from time to time, to vary such regulations as it shall think proper for the deposit of BONDS

with, or exhibit of BONDS to, any banks, bankers, trust companies or other depositories, wherever situated, and for the issue by them to the persons depositing or exhibiting such BONDS, of certificates which shall constitute absolute proof of ownership. Registered holders of BONDS duly registered in the names of such holders by the STATE TREASURER need not deposit or exhibit their BONDS, but reliance may be had upon said registry books to determine who are the registered holders of such BONDS.

ARTICLE XIII EFFECTIVE DATE

Section 13.01

This RESOLUTION shall take effect upon the occasion of its approval by the STATE BOARD, expressed by resolution duly adopted.

ARTICLE XIV SAVING CLAUSE

Section 14.01

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

ARTICLE XV REPEALING CLAUSE

Section 15.01

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

ARTICLE XVI MISCELLANEOUS

Section 16.01

The 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 the RESOLUTION and all counterparts thereof are to be deemed but one instrument.

A RESOLUTION

SUPPLEMENTING A RESOLUTION ENTITLED "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF STADIUM IMPROVEMENT BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO," HERETOFORE ADOPTED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH CAROLINA, BY MAKING PROVISION FOR THE ISSUANCE AND SALE OF FIVE MILLION DOLLARS (\$5,000,000) UNIVERSITY OF SOUTH CAROLINA STADIUM IMPROVEMENT BONDS, SERIES OF 1971.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED:

ARTICLE I

PROVISIONS AMENDING THE STADIUM IMPROVEMENT BOND RESOLUTION

Section 1.01

Section 2.02 of the STADIUM IMPROVEMENT BOND RESOLUTION is hereby amended by inserting immediately after the definition of "STADIUM IMPROVEMENTS," an additional definition numbered (9) (a) as follows:

"(9) (a) STADIUM IMPROVEMENT BONDS, SERIES OF 1971, shall mean the \$5,000,000 Stadium Improvement Bonds, Series of 1971, of the University of South Carolina, dated May 1, 1971."

The Series of 1971 bonds constitute the first series of BONDS issued pursuant to the RESOLUTION and ACT 1279.

ARTICLE II

DEFINITIONS

Section 2.01

Certain terms used in this Resolution are defined terms with definitions set forth in Article II of a resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF STADIUM IMPROVEMENT BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO," heretofore adopted by the Board of Trustees of the University of South Carolina, and whenever such terms are used, they shall have the meanings given to them in said Article II.

ARTICLE III

FINDINGS OF FACT

Section 3.01

It is found as follows:

(1) Heretofore the TRUSTEES adopted the STADIUM IMPROVEMENT BOND RESOLUTION as a means of providing for the issuance of the BONDS.

(2) In and by the STADIUM IMPROVEMENT BOND RESOLUTION it is expressly provided that BONDS shall be issued pursuant to a resolution expressed to be supplementary to the STADIUM IMPROVEMENT BOND RESOLUTION.

(3) No BONDS have heretofore been issued pursuant to the STADIUM IMPROVEMENT BOND RESOLUTION.

(4) The TRUSTEES have now determined to make provision for the issuance of \$5,000,000 STADIUM IMPROVEMENT BONDS, SERIES OF 1971, for the purpose of reconstructing the western section of the STADIUM and making certain improvements to the playing field therein.

(5) On the basis of the foregoing, the TRUSTEES adopt this resolution to supplement the STADIUM IMPROVE-

MENT BOND RESOLUTION and to make provision for the issuance of FIVE MILLION DOLLARS (\$5,000,000) STADIUM IMPROVEMENT BONDS, SERIES OF 1971, of the UNIVERSITY OF SOUTH CAROLINA.

ARTICLE IV

ISSUANCE OF BONDS

Section 4.01

Pursuant to ACT 1279 and the STADIUM IMPROVEMENT BOND RESOLUTION, as herein supplemented, and in order to pay the cost of the IMPROVEMENTS referred to in Section 3.01 (4), there shall be issued FIVE MILLION DOLLARS (\$5,000,000) STADIUM IMPROVEMENT BONDS, SERIES OF 1971, of the UNIVERSITY OF SOUTH CAROLINA.

Section 4.02

STADIUM IMPROVEMENT BONDS, SERIES OF 1971 shall be dated as of May 1, 1971, shall be in the denomination of \$5,000 each, shall be numbered consecutively from 1 to 1000, inclusive, and shall mature in annual series or installments, in numerical order, on January 1, as follows:

Years	Principal Amount
1973-1975, inclusive	\$150,000
1976-1977, inclusive	175,000
1978-1979, inclusive	200,000
1980-1981, inclusive	225,000
1982-1983, inclusive	250,000
1984-1985, inclusive	275,000
1986-1987, inclusive	300,000
1988-1989, inclusive	325,000
1990-1992, inclusive	350,000

Section 4.03

The STADIUM IMPROVEMENT BONDS, SERIES OF 1971, maturing subsequent to January 1, 1981, being BONDS numbered 331 to 1000, inclusive, shall be subject to redemption, at the option of the UNIVERSITY, in whole or in part, but if in part, in inverse numerical order, on January 1, 1981, and all subsequent interest payment dates, at par, plus accrued interest to the date fixed for redemption, plus a redemption premium computed as follows:

- If the redemption be effected on or before January 1, 1986, the redemption premium shall be three and one-half per centum (3½%) of the principal amount of each BOND redeemed; and
- If the redemption be effected after January 1, 1986, but prior to the stated maturity of the BOND, the redemption premium shall be two per centum (2%) of the principal amount of each BOND redeemed.

If BONDS are called for redemption prior to their maturity, notice of redemption, describing the BONDS to be redeemed and specifying the redemption date, must be given by the UNIVERSITY by publication of such notice, at least once, not less than thirty days and not more than sixty days prior to the redemption date, in a financial journal published in the English language and published in the Borough of Manhattan, City of New York, State of New York. Interest on the BONDS to be redeemed shall cease to accrue from and after the redemption date specified in such notice, unless

the UNIVERSITY defaults in making due provision for the payment of the redemption price thereof.

Section 4.04

The STADIUM IMPROVEMENT BONDS, SERIES OF 1971, shall bear such rate or rates of interest, payable on January 1 and July 1 of each year, beginning January 1, 1972 (at which time interest for eight months will be due), as shall, at the sale of such BONDS, reflect the lowest interest cost to the UNIVERSITY, at a price of not less than par and accrued interest to the date of delivery, but

- (a) all BONDS of the same maturity shall bear the same rate of interest;
- (b) no rate of interest shall be in excess of seven per centum (7%) per annum;
- (c) all interest payments shall be evidenced by single coupons;
- (d) no rate of interest named shall be more than one per centum (1%) higher than the lowest rate of interest named;
- (e) each interest rate named shall be a multiple of 1/8th or 1/20th of one per centum (1%); and
- (f) any sum named by way of premium shall be paid in cash as a part of the purchase price.

For the purpose of this Section, interest cost shall mean the aggregate of interest on all BONDS from May 1, 1971 until their respective maturities, less any sum named by way of premium.

Section 4.05

Both the principal of and interest on the STADIUM IMPROVEMENT BONDS, SERIES OF 1971, 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 not more than two banks or trust companies to be mutually agreed upon by the UNIVERSITY and the successful purchasers at the sale thereof, provided that one shall be a bank maintaining offices within the State of South Carolina, and the second shall be a financial institution having its principal office in the City of New York, State of New York, or another city agreeable to the UNIVERSITY. Should it happen that the UNIVERSITY and the successful bidder shall fail to agree upon the banks or trust companies at which the BONDS shall be payable, then, in such event, the BONDS, both principal and interest, shall be payable at (a) a bank maintaining offices within the State of South Carolina, and (b) the principal office of a banking institution located in the City of New York, New York, both to be named by the UNIVERSITY.

Section 4.06

The STADIUM IMPROVEMENT BONDS, SERIES OF 1971, when outstanding in coupon form shall be in form substantially as set forth in "EXHIBIT A" to this resolution.

ARTICLE V SALE OF BONDS

Section 5.01

The STADIUM IMPROVEMENT BONDS, SERIES OF 1971, shall be offered for sale after advertisement calling for bids shall be published at least once, not less than ten days prior thereto, in the following publication:

THE DAILY BOND BUYER, a financial journal published in the City of New York, State of New York.

Bids shall be received until such occasion as the Chairman of the TRUSTEES shall prescribe. They shall be opened by the President of the UNIVERSITY and the Secretary of the TRUSTEES and if bids be received in accordance with the Notice of Sale, then in such event the officers receiving such bids may forthwith accept the same by and on behalf of the TRUSTEES and without further action on the part of the TRUSTEES.

The form of said advertisement shall be substantially as set forth in "EXHIBIT B" hereto attached.

Section 5.02

Following the receipt of bids, the STADIUM IMPROVEMENT BONDS, SERIES OF 1971, shall be printed and when printed shall be executed in the manner provided by Section 3.10 of the STADIUM IMPROVEMENT BOND RESOLUTION and delivered upon the receipt of the purchase price thereof.

ARTICLE VI CONDITIONS PRECEDENT TO DELIVERY OF BONDS

Section 6.01

Prior to the delivery of the STADIUM IMPROVEMENT BONDS, SERIES OF 1971, there shall be delivered to the STATE TREASURER all sums derived from the ADMISSION FEE, all sums derived from the SPECIAL STUDENT FEE, and all sums realized by the Athletic Department of the UNIVERSITY, which are made applicable to the payment of the principal and interest of the BONDS, with instructions that the same shall be deposited in, and become a part, of the DEBT SERVICE FUND established by Section 6.01 of the STADIUM IMPROVEMENT BOND RESOLUTION.

ARTICLE VII DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 7.01

Upon delivery of the STADIUM IMPROVEMENT BONDS, SERIES OF 1971, the proceeds derived from the sale thereof shall be delivered to the STATE TREASURER. Any sum received by way of accrued interest or premium shall be deposited by the STATE TREASURER in the DEBT SERVICE FUND. The principal proceeds shall be applied to the cost of the STADIUM IMPROVEMENTS, for which the BONDS are issued.

Section 7.02

It shall at all times be lawful for the STATE TREASURER to make temporary investments of funds derived from the proceeds of BONDS issued pursuant to this resolution, in obligations of the United States or any agency thereof, and all interest earned on any such investments shall be deposited in the DEBT SERVICE FUND.

ARTICLE VIII MISCELLANEOUS

Section 8.01

This resolution is expressly declared to be supplemental to the STADIUM IMPROVEMENT BOND RESOLUTION, and the STADIUM IMPROVEMENT BONDS, SERIES OF 1971, are declared to be a series of the BONDS authorized by the STADIUM IMPROVEMENT BOND RESOLUTION.

Section 8.02

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.

DONE IN MEETING DULY ASSEMBLED this 29th day of March, A. D. 1971.

STATE OF SOUTH CAROLINA.

WHEREAS, the Board of Trustees of the University of South Carolina did, on March 29, 1971, adopt a resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF STUDENT AND FACULTY HOUSING REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA," (the Basic Resolution), a certified copy of which is attached hereto as "EXHIBIT A," and

WHEREAS, the terms and provisions of the Basic Resolution prescribe that specific issues of Student and Faculty Housing Revenue Bonds of the University of South Carolina (Revenue Bonds) shall be issued pursuant to a resolution expressed to be supplemental to the Basic Resolution, and

WHEREAS, the Basic Resolution authorized (inter alia) the issuance of Revenue Bonds for the purpose of refunding by exchange all previously issued Student and Faculty Housing Revenue Bonds of the University of South Carolina held by the State Budget and Control Board of South Carolina, as Trustee of the funds of the South Carolina Retirement System, and

WHEREAS, on the 29th of March, 1971, the Trustees of the University of South Carolina adopted a supplemental resolution, certified copy of which is hereto attached as "EXHIBIT B," specifically providing for the refunding, through means of exchange, previously issued Student and Faculty Housing Revenue Bonds of the University of South Carolina held by the State Budget and Control Board of South Carolina, as Trustee of the funds of the South Carolina Retirement System, and

WHEREAS, the previously issued Student and Faculty Housing Revenue Bonds of the University of South Carolina held by the State Budget and Control Board of South Carolina, as aforesaid, are those set forth in "EXHIBIT C" attached hereto, and

WHEREAS, the undersigned as the owner of the bonds set forth in "EXHIBIT C" has agreed to refund the same by

exchange for Revenue Bonds described in "EXHIBIT B" attached hereto, and is desirous of evidencing such agreement through the means of this instrument of consent,

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA, as Trustee of the funds of the South Carolina Retirement System, agrees to accept for the bonds held by it (described in "EXHIBIT C") Revenue Bonds to be issued pursuant to the supplemental resolution hereto attached as "EXHIBIT B."

IN WITNESS WHEREOF, the undersigned has caused these presents to be duly executed this _____ day of _____, A. D. 1971.

IN THE PRESENCE OF:

STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA, as Trustee
of the funds of the South
Carolina Retirement System

BY _____
State Treasurer of South
Carolina

As the owner and holder of all
of the outstanding Student and
Faculty Housing Revenue Bonds
of the University of South
Carolina, described in Exhibit
C hereto attached.

STATE OF SOUTH CAROLINA.

PERSONALLY appeared before me _____,
who, after first being duly sworn, says that he saw the within
named GRADY L. PATTERSON, JR., on behalf of the State Budget and
Control Board of the State of South Carolina, as Trustee of the
funds of the South Carolina Retirement System, sign, seal and as
his act and deed deliver the foregoing instrument, and that he
with _____ witnessed the execution thereof.
SWORN to before me this _____
day of _____, A. D. 1971.

(L. S.)
Notary Public for South Carolina

My commission expires:

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. HOOD

April 29, 1971

Miss Jeanette Porter
Finance Section
Department of Housing and Urban Development
645 Peachtree Seventh Building
Atlanta, Georgia 30323

Dear Miss Porter:

RE: Student and Faculty Housing Revenue Bonds
of the University of South Carolina.

At long last I enclose to you, in duplicate, a document which would evidence the consent of DHUD to the exchange of its presently held University of South Carolina Student and Faculty Housing Revenue Bonds for new bonds to be issued pursuant to resolutions adopted by the Board of Trustees of the University on March 29, 1971. Attached to the document of consent, as exhibits, are the two resolutions with which you are concerned and a schedule showing bonds held by DHUD at the present time.

I would appreciate it if you would have this document executed in duplicate, retaining one copy and returning the second to me. I am extremely anxious to sell the \$2,600,000 of Student and Faculty Housing Revenue Bonds, but before I can offer these, I must either have the consents, or be assured that they will be in my possession, prior to the delivery of those bonds. I am, therefore, wondering if you could indicate to me an approximate time when I can rest assured that the consent of DHUD will be in my hands.

We have the Statement of Essential Facts, or Official Statement, practically completed, and in the interest of speed, it would be greatly appreciated if you would telephone me upon receipt of the enclosed, so that I may set a date for the sale of the \$2.6 Million issue.

With kindest regards,

Sincerely yours,

Huger Sinkler

HS:mw
Encs.

cc: Hon. Grady L. Patterson, Jr.
State Treasurer
P. O. Box 11568
Columbia, S. C. 29211

B. A. Daetwyler, Esq.
Associate Vice President for Finance
University of South Carolina
Columbia, S. C. 29208

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

TELEPHONE 722-3366
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CHARLESTON, S. C. 29402

POST OFFICE BOX 340

THOMAS A. HUTCHESON
ROBERT H. HOOD

May 21, 1971

Honorable P. C. Smith
Auditor of South Carolina
P. O. Box 11333
Columbia, S. C. 29211

Dear Pat:

Re: University of South Carolina
Student and Faculty Housing
Revenue Bonds.

The new Bond Resolution of the University of South Carolina, copies of which are enclosed, contemplates that:

1. The Budget and Control Board would accept refunding bonds issued pursuant to this resolution in exchange for the bonds which it now holds; and

2. That DHUD, as the holder of \$11,373,000 of bonds as of June 1, 1971, would likewise consent. DHUD has accepted.

The necessity for this came about in this fashion:

In connection with a proposed issue of \$2,600,000, which will pay for the recently completed 420-bed woman's dormitory due for occupancy in September, Federal assistance was sought. This resulted in a loan subsidy which will provide about \$51,000 a year to pay interest on the bonds. The loan provisions required that the new bond issue be on a parity with the other bond issues. The other bond issues were secured only by revenues. Therefore, if they were to be on a parity with the old issues, it was necessary to provide that all outstanding bonds of the University be secured both by revenues and by the loan subsidy. To accomplish this meant that the consent of the holders of all bonds would have to be obtained.

There will be outstanding, as of June 1, 1971, \$190,000 of bonds which are held by the public and are widely scattered. Efforts were made to locate the holders of these bonds without success. Accordingly, it was decided that these bonds should be "sterilized." That is to say, an irrevocable trust would be set up containing sufficient moneys to pay, when due, the principal and interest of these bonds. The

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Honorable P. C. Smith
May 21, 1971
Page 2

new Resolution contemplates this and will use accumulated moneys in the Cushion Fund established for the old bonds for this purpose.

In addition, the new Resolution makes several other changes:

(1) It lowers the maximum for the new Debt Service Reserve Fund from two years' debt service on all bonds to one year's debt service on all bonds;

(2) It permits a sale (set for June 15, 1971) of the Columbia Hotel; and

(3) It changes the earnings' test relating to the issuance of additional bonds so as to exclude from the computation of earnings that amount of debt service which will be offset by loan subsidies.

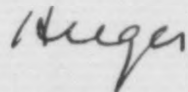
The consent sent to the State Board is identical to that sent to DHUD, which has been executed. (Xerox copy is enclosed).

The State Board will receive payment of the debt due it by the University on exactly the same terms as it would now receive such payment. Maturities correspond and interest rates likewise correspond.

We are preparing an Official Statement (which must be cleared by DHUD) and which sets forth general information with respect to these bonds of the University. I am enclosing copies of the page proof pertinent to the matters discussed in this letter.

With kind regards,

Sincerely yours,



HS:mw
Encs.

GENERAL INFORMATION

AUTHORIZATION

Act No. 904 of the Acts of the General Assembly for the year 1960, as now amended, permits the Trustees of the University of South Carolina to acquire additional student and faculty housing facilities and to issue from time to time not exceeding an aggregate of \$25 million of bonds payable from the revenues of such student and faculty housing facilities. The Act also authorizes the issuance of additional bonds for the purpose of refunding all or any part of any outstanding revenue bonds of the University which shall be payable in whole or in part from such revenues. The Bonds now offered are to be issued pursuant to the authorization of Act No. 904 of 1960 as amended and resolutions duly adopted by the Board of Trustees of the University of South Carolina.

USE OF PROCEEDS

From the proceeds of the bonds now sought to be issued the University of South Carolina will apply the entire amount to the construction and equipping a new 420 bed women's dormitory which is due for completion and occupancy in September 1971. The building is multi-storied with 10 floors of residence areas and the main, first floor for meeting rooms, study rooms and lobby.

PREVIOUS ISSUES

Previous to this offering, fifteen series of University Student and Faculty Housing Revenue Bonds have been issued, in the original aggregate principal amount of \$19,110,000. Of the fifteen series, one will have been retired on June 1, 1971. As of June 1, 1971 the principal amount of outstanding bonds will be \$14,779,000. Four of the original issues were purchased by the United States of America, Secretary of Housing and Urban Development, or his Successor (DHUD). The outstanding principal amount of these (after June 1, 1971) will be \$11,373,000.

The State Budget and Control Board of South Carolina, in its capacity as Trustee of the funds of the South Carolina Retirement System (the State Board) holds (as of June 1, 1971) \$3,216,000 outstanding principal amount of bonds.

A small balance (as of June 1, 1971) of \$190,000 of bonds are held by the public.

All of the outstanding bonds are secured *solely* by a pledge of the gross revenues derived from Student and Faculty Housing Facilities.

In connection with the present offering, Federal assistance was sought. This resulted in a reservation for a loan subsidy, upon the condition that the bonds now offered would be on a parity in all respects with the outstanding bonds. To accomplish this and to make other changes in the proceedings securing all Student and Faculty Housing Revenue Bonds, it appeared necessary to secure the consent of the holders of all of the now outstanding bonds. The publicly held bonds were widely scattered and efforts to contact all of these bondholders proved unsuccessful. Hence, it was decided that an irrevocable trust, in an amount equal to the aggregate of all principal and interest to fall due on the publicly held outstanding bonds until their respective maturities, would be established prior to the delivery of the bonds now offered. Attention is invited to the provisions of Article XXIV of the Resolution of the Trustees adopted March 29, 1971 (the New Basic Resolution).

The consent of DHUD and the State Board has been obtained to this plan, and each agency has agreed to accept, in lieu of bonds now held by them, refunding bonds on precisely the same terms as those of the outstanding bonds now held by them, except that the refunding bonds would be secured by a pledge of the revenues derived from the housing facilities and loan subsidies. On or before the delivery of the proposed issue, DHUD and the State Board will effect the exchange of their presently held bonds for refunding bonds issued under the New Basic Resolution, a copy of which is enclosed with this brochure.

SECURITY FOR BONDS

The bonds are payable from, and are secured by, a pledge of all of the rental revenue derived by the University from the student and faculty housing facilities hereafter described, and all of the proceeds that the University will derive from an interest grant subsidy from DHUD (see The Loan Subsidy, below).

The pledge securing the bonds of this issue *will be* on a parity in all respects with similar pledges made to secure the *outstanding bonds, above*

refunding *to be issued to DHUD and the State Board*

held by the State Board of DHUD

~~secured~~ and will be on a parity with future issues of student and faculty housing revenue bonds if such future issues are issued under the conditions and limitations imposed by the bond resolution.

FACILITIES SUBJECT TO THE PLEDGE

The revenues from all of the student and faculty housing facilities of the University of South Carolina have been pledged to secure the payment of the subject bonds, the ~~outstanding~~ bonds and any additional bonds to be issued in the future, with the exception of the President's house located on the Campus, and such portions of the facilities as are used by matrons or proctors of student dormitories. The housing facilities are described as follows:

RESIDENCE HALLS: Currently the University houses 2,556 female students in 7 dorms and 3,602 male students in 34 dorms and residence halls. Because of the acute shortage of space the University has entered a rental agreement to lease a privately owned dormitory for the 1970-71 school year. This will house an additional 68 female students, and will thus provide a total of 6,226 beds for single students.

MARRIED STUDENT APARTMENTS: The University owns three apartment projects which provide 428 units for married students and their families. Although these units are primarily for students, a few are available to visiting faculty.

OCCUPANCY AND NET REVENUES OF THE FACILITIES: The University provides housing for about 50% of its Main Campus students. For the past five years Fall semester occupancy has been 100% with demand greater than supply. Spring semester occupancy has averaged about 97.5%. There is a perpetual waiting list for apartments.

Revenues and expenses for the past four years, and the current year (70-71) budget, are shown below:

Year	Total Revenue	Expenses	Balance
1966-67	\$1,865,274	\$1,087,737	\$ 777,537
1967-68	2,152,793	1,264,802	887,991
1968-69	2,494,132	1,518,904	975,228
1969-70	2,796,293	1,602,344	1,193,949
1970-71 (Est.)	3,057,575	1,767,981	1,289,594

THE LOAN SUBSIDY

The University of South Carolina has secured a fund reservation for a debt service subsidy grant from DHUD, which is presently estimated to result in annual payments to the University throughout the life of the subject bonds of approximately \$51,300 a year. It is to be received on a semi-annual basis, beginning with the first interest payment date following completion of the Project. The loan subsidy was predicated on an approved eligible project cost of \$2,551,500 to pay a portion of the cost of constructing the new dormitory described under the heading "Use of Proceeds." By reason of the fact that University had outstanding previous issues of Student and Faculty Housing Revenue Bonds and could only issue bonds on a parity therewith, it became necessary to amend the original Bond Resolution to provide that the proceeds of all loan subsidies would be paid into the established Debt Service Fund and thus become available, with other funds, for the debt servicing of all Student and Faculty Housing Revenue Bonds—being those outstanding, those now offered, and all parity bonds hereafter issued.

The amount of the debt service subsidy grant could conceivably be reduced below the figure which is now estimated if either or both of the following occurs:

- (1) The effective interest rate on the bonds is less than 5¾%.
- (2) The total approved project cost, subject to the grant subsidy, is less than \$2,551,500.

The total subsidy grant might be increased (on application of the University) beyond that which is now estimated if the actual private market net interest cost exceeds the original amounts. All increases in the grant amount over that specified in the original Grant Agreement are contingent on availability of funds and the then current U. S. Government policy.

The high rise dormitory, whose construction makes the subsidy grant available will be completed about September 1, 1971, and is scheduled for occupancy by students attending the Fall semester of the school year 1971-1972.

RATE COVENANT

The Trustees have covenanted and agreed to place into effect, to maintain, and to revise from time to time and as often as may be necessary, a schedule of rates and charges for the facilities as

shall at all times be sufficient to pay the principal of and interest on all Student and Faculty Housing Revenue Bonds now or hereafter to be outstanding, as and when the same become due and payable, to provide such sums as may be necessary for the operation and maintenance of the facilities and to discharge all other obligations incurred by the University under the Bond Resolution.

The Trustees have further covenanted and agreed to promulgate and at all times to maintain in effect rules and regulations covering the use of the facilities designed to require the maximum use thereof.

FLOW OF FUNDS

Under the terms and conditions of the Bond Resolution, all loan subsidy funds are paid directly to the State Treasurer, and deposited into the Debt Service Fund.

All revenues derived by the University from rentals and other incidental income from the use of the facilities are duly collected, segregated from other revenues, and kept on deposit with the State Treasurer.

The revenues collected during the semi-annual period beginning July 1st in each fiscal year are disposed of on or before November 15th as follows:

- (1) The State Treasurer shall deposit in the Debt Service Fund a sum sufficient to discharge all interest to become due on December 1st next ensuing;
- (2) The State Treasurer shall deposit in the Debt Service Fund a sum equal to 50% of the aggregate principal payments falling due on June 1st next ensuing; and
- (3) Finally, a sum equal to 5% of the payments made pursuant to clauses (1) and (2) above is deposited into the Debt Service Reserve Fund.

Only after meeting the above requirements can moneys be expended for maintenance and operation, but once the payments above set forth are made, the remaining moneys become available for that purpose or for any other lawful purpose approved by the Trustees.

The revenues collected during the second semi-annual period beginning January 1st in each fiscal year are disposed of on or before May 15 as follows:

- (1) The State Treasurer shall deposit in the Debt Service Fund a sum sufficient to discharge all interest to become due on June 1st next ensuing;
- (2) The State Treasurer shall deposit a sum sufficient to pay the aggregate principal ~~and interest~~ payments falling due on June 1st next ensuing;
- (3) Finally, a sum equal to 5% of the payment made pursuant to clauses (1) and (2) above is deposited into the Debt Service Reserve Fund.

As in the case of revenues collected in the first half of each fiscal year, it is only after meeting the above requirements that funds become available for operation and maintenance or other lawful purposes approved by the Trustees.

THE DEBT SERVICE RESERVE FUND

The new Basic Resolution establishes a Debt Service Reserve Fund into which the payments referred to under the previous heading are to be made.

As of the 15th day of May, 1971, there was on deposit in the reserve or cushion fund established pursuant to the original proceedings under which Student and Faculty Housing Revenue Bonds of the University were issued, cash and securities of a market value of \$471,592.15. The new Basic Resolution provides that the amount required to establish the irrevocable trust to effect the payment of the publicly held outstanding bonds (in the principal amount of \$190,000) shall be transferred from the existing cushion fund to the trust established for that purpose and that the sum remaining in the existing cushion fund shall be deposited in the Debt Service Reserve Fund established by the new Basic Resolution. The amount required for the irrevocable trust is estimated to be \$215,000, so that approximately \$256,000 will be available for transfer to the Debt Service Reserve Fund established by the new Basic Resolution, prior to the delivery of the bonds now offered.

It is the duty of the State Treasurer to invest, where practicable, moneys in the Debt Service Reserve Fund, in obligations of the United States, or any agency thereof, maturing not later than five years from the occasion on which each investment shall be made. All income earned from investments of the Debt Service Reserve Fund shall be

in clause (3)

added to and become a part of the Debt Service Reserve Fund. Payments to the Debt Service Reserve Fund may be omitted only when the market value of the cash and securities in the Debt Service Reserve Fund shall equal or exceed the greater of:

(a) that sum which is 6% of the aggregate principal amount of bonds then outstanding, or

(b) the sum which reflects the maximum annual debt service requirements of all bonds then outstanding.

ADDITIONAL BONDS

Attention is invited to Article VI of the Composite Bond Resolution which sets forth in detail the terms and conditions under which Additional Bonds may be issued. No attempt to summarize those conditions is made under this heading.

RATE SCHEDULES IN FORCE

Rate schedules for the facilities are subject to constant study and revision. A new rate schedule went into effect for the fiscal year beginning July 1, 1970 and reflects the desire on the part of the Trustees to provide adequate moneys with which to meet the debt service requirements on the Student and Faculty Housing Revenue Bonds, to provide funds for operation and maintenance and to provide funds to enable the University to discharge all obligations under the Bond Resolution.

Charges for dormitory room rent range from \$160 per person per semester to \$220 per person per semester, depending upon the facilities provided. Apartments for married students range from \$70 per month to \$85 per month—again depending upon the type of facilities rented.

In fixing the rate schedule two factors are ever present. The first is to assure that sufficient moneys be raised in order to discharge the obligations of

the University and the second is the desire to make the facilities available on as reasonable a basis as possible for the students who use them.

Under these circumstances, the rate schedules are designed merely to provide adequate revenues and there has been no attempt to accumulate any large surplus.

TAX EXEMPT STATUS

In the opinion of bond counsel, interest on the Student and Faculty Housing Facilities Revenue Bonds of the University is exempt from all present South Carolina and Federal income taxes.

OTHER INDEBTEDNESS OF THE UNIVERSITY OF SOUTH CAROLINA

In addition to the Student and Faculty Housing Revenue Bonds, three other classes of debt have been incurred by or on behalf of the University of South Carolina. These include the following:

(1) General Obligation bonds of the State of South Carolina, known as "State Institution Bonds." These bonds are secured by a pledge of the full faith, credit and taxing power of the State of South Carolina and in addition by a pledge of tuition fees collected at the University of South Carolina. State Institution Bonds issued on behalf of the University and outstanding as of this date amount to \$17,855,000.

(2) Stadium Improvement Bonds. On May 12, 1971, the University sold \$5,000,000 Stadium Improvement Bonds, Series of 1971 at an average interest cost of 5.654%.

(3) Plant Improvement Bonds which are secured by a Student Activities fee collected from each student during Fall and Spring registrations. Proceeds from these bonds were applied to build student activities type structures. As of this date there are outstanding \$4,093,000 of these bonds.

A RESOLUTION PROVIDING FOR THE
ISSUANCE AND SALE OF STUDENT
AND FACULTY HOUSING REVENUE
BONDS OF THE UNIVERSITY OF
SOUTH CAROLINA

Adopted by the Board of Trustees of the University of
South Carolina on March 29, 1971

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BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH CAROLINA 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 STUDENT AND FACULTY HOUSING REVENUE BOND RESOLUTION or the BOND RESOLUTION) and the issuance of the bonds provided for herein, the Board of Trustees of The University of South Carolina (the TRUSTEES) finds, as a fact, that each of the statements hereinafter set forth is in all respects true and correct:

1. The University of South Carolina (the UNIVERSITY) is a state institution of higher learning, owned and operated by the State of South Carolina.

2. The UNIVERSITY is under the management and control of a Board of Trustees, comprised in the manner prescribed by Chapter 4, Title 22, Code of Laws of South Carolina, 1962.

3. The general powers of the TRUSTEES are set forth in said Chapter 4, Title 22, Code of Laws of South Carolina, 1962, and the specific powers by which the TRUSTEES adopt the BOND RESOLUTION are set forth in Act No. 904 of the Acts of the General Assembly for the year 1960 (the ENABLING ACT).

4. The TRUSTEES have been, from time to time, authorized and empowered by legislation duly enacted by the General Assembly of South Carolina to construct Student and Faculty Housing Facilities (the FACILITIES) and to finance the cost thereof through the issuance of bonds payable from the revenues derived from the FACILITIES.

5. As of the date of the adoption of the BOND RESOLUTION there are outstanding bonds of the UNIVERSITY, for which the revenues of the FACILITIES are pledged, of some fifteen (15) different issues or series (the OUTSTANDING BONDS), each series of which has been issued pursuant to an individual resolution of substantially similar tenor. All outstanding bonds mature on June 1 in the year of their several maturities and bear interest payable semi-annually on June 1 and December 1 of each year.

6. The ENABLING ACT authorizes the TRUSTEES to borrow Twenty-five Million Dollars (\$25,000,000) in addition to the sums borrowed pursuant to Act No. 369 of the Acts of 1953, as amended, plus such further sums as the TRUSTEES determine to borrow from time to time for the purpose of refunding all or any part of any revenue bonds of the UNIVERSITY which shall be payable in whole or in part from the revenues derived from the FACILITIES. The ENABLING ACT further empowers the TRUSTEES to acquire such additional FACILITIES as the TRUSTEES shall from time to time determine. Of the OUTSTANDING BONDS 8 Series were issued pursuant to said Act No. 369 and 7 Series were issued pursuant to the ENABLING ACT.

7. At the present time the UNIVERSITY must permanently finance a woman's dormitory to be known as "Capstone North". In the future it will have to finance similar facilities.

8. As a means of financing Capstone North the TRUSTEES have entered into a loan agreement with the Department of Housing & Urban Development of the United States Government (DHUD) providing for the issuance and sale of Student and Faculty Housing Revenue Bonds of the UNIVERSITY in the principal amount of \$2,600,000. The loan agreement contemplates that such bonds will be issued on a parity with the OUTSTANDING BONDS. The loan agreement further provides for loan subsidy payments (LOAN SUBSIDIES) to be made by or through DHUD which must, in order to maintain the parity among the OUTSTANDING BONDS and bonds hereafter issued by the UNIVERSITY for such purposes (including those to be issued pursuant to the said loan agreement), inure equally and ratably for the

benefit of the OUTSTANDING BONDS as well as the bonds hereafter to be issued by the UNIVERSITY for such purposes.

9. The circumstances set forth in paragraph 8 above make it desirable that a new proceeding be adopted (the BOND RESOLUTION) which would secure the OUTSTANDING BONDS, the bonds proposed to be issued pursuant to the loan agreement, and all bonds hereafter issued by the UNIVERSITY which are issued to finance FACILITIES and which would uniformly define the rights of the holders of such bonds and the obligations of the UNIVERSITY with respect thereto.

10. To accomplish the desired result, it is necessary that the UNIVERSITY obtain the consent of the holders of all OUTSTANDING BONDS or make provisions for the payment of such of the OUTSTANDING BONDS as to which consent cannot be obtained.

11. Of the 15 series of OUTSTANDING BONDS, all of the BONDS are held by the State Budget and Control Board, as Trustee of the Retirement System (the STATE BOARD) or by DHUD with the exception of the following BONDS which are publicly held and widely scattered and whose owners are unknown to the UNIVERSITY, viz:

- (a) All of the now outstanding \$120,000, Series of 1953, which bear interest at the rate of 3½% and mature \$15,000 on June 1 in each of the years 1971 to 1978, inclusive;
- (b) All of the now outstanding \$41,000 Series of 1961, which bear interest at the rate of 3% and mature on June 1, 1971; and
- (c) All of the now outstanding \$110,000, Series of 1964, which bear interest at the rate of 3½% and mature \$25,000 on June 1 in the years 1971 and 1972; and \$30,000 on June 1 in the years 1973 and 1974.

12. Inasmuch as the consent of the holders of the PUBLICLY HELD OUTSTANDING BONDS described in paragraph 11 above cannot be obtained, it is necessary that an irrevocable trust be established into which shall be paid the aggregate of the principal, interests and redemption premium applicable to such bonds in order that there would at all times be available moneys to meet the payment of the principal and interest of such bonds as the same mature or to provide for their redemption should the UNIVERSITY be required to pay and redeem any of such bonds which may be subject to redemption prior to their stated maturities.

13. For the additional security of all OUTSTANDING BONDS a cushion fund had been established which as of this date, contains moneys and securities more than adequate to provide for the Special Trust contemplated by paragraph 12 above. The consent of the STATE BOARD and DHUD has been obtained to the use of moneys in the existing Cushion Fund for that purpose.

14. An agreement with the STATE BOARD and DHUD has also been obtained that this BOND RESOLUTION will secure all of the OUTSTANDING BONDS now held by both the STATE BOARD and DHUD.

15. ALL OUTSTANDING BONDS held by the STATE BOARD and DHUD recite on their face that they are issued pursuant to resolutions other than this BOND RESOLUTION. In order to protect the UNIVERSITY and transferees of such OUTSTANDING BONDS and to establish that henceforth they are now secured by the BOND RESOLUTION it will be necessary that they be either (1) stamped in such fashion as to reflect that they are now secured by the BOND RESOLUTION, or (2) that, in lieu thereof, refunding bonds be issued which would be substituted for such OUTSTANDING BONDS and which would be of similar maturity and interest rate as those of the OUTSTANDING BONDS for which the same were substituted and would differ only from such OUTSTANDING BONDS by reason of the fact that they would recite that they were issued pursuant to and were secured by the BOND RESOLUTION.

16. Accordingly, the BOND RESOLUTION has been adopted as the vehicle pursuant to which all OUTSTANDING BONDS (except those for which payment has been provided) are issued and secured, and pursuant to which will be issued: (1) the bonds to be issued pursuant to the loan agreement; (2) all other bonds hereafter issued by the UNIVERSITY for the purposes of financing FACILITIES; (3) all BONDS issued for the purposes of refunding by exchange any OUTSTANDING BONDS; and (4) all BONDS issued for the purpose of effecting any other refunding of BONDS issued to finance FACILITIES.

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

Section 2.01

This resolution may hereafter be cited and is hereinafter sometimes referred to either as STUDENT AND FACULTY HOUSING REVENUE BOND RESOLUTION or the BOND RESOLUTION, and is the resolution pursuant to which all BONDS of the UNIVERSITY heretofore or hereafter (with the exception of the PUBLICLY HELD OUTSTANDING BONDS described in paragraph 11 of Section 1.01) are issued and secured, including BONDS issued for the purpose of refunding by exchange or otherwise, all or any of said BONDS. If amended or supplemented, in accordance with the provisions of the BOND RESOLUTION, the term BOND RESOLUTION shall mean the BOND RESOLUTION so amended or supplemented.

Section 2.02

In this BOND RESOLUTION, 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 BOND RESOLUTION 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 UNIVERSITY, selected by the UNIVERSITY.

(3) ANNUAL NET REVENUES shall mean the ENTIRE REVENUES received by the UNIVERSITY in any FISCAL YEAR less the expenses of operation and maintenance of the FACILITIES for such FISCAL YEAR.

(4) BOND or BONDS shall mean any bond or bonds issued by the UNIVERSITY pursuant to the BOND RESOLUTION.

(5) BONDHOLDER, or the term HOLDER, or any similar term, when used with reference to any of the 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 the bearer.

(6) COUNSEL'S OPINION shall mean an opinion of an Attorney duly admitted to practice law before the highest court in South Carolina, who is not a full time employee of the UNIVERSITY, but it shall include any opinion issued by the Attorney General of South Carolina.

(7) DEBT SERVICE FUND is the fund established by Section 6.02, to be held by the STATE TREASURER, and which is intended to provide funds for the payment of principal and interest of all BONDS at any time outstanding.

(8) DEBT SERVICE RESERVE FUND is the fund established by Section 6.03, to be held by the STATE TREASURER, and which is intended to provide additional security for payment of the BONDS.

(9) ENABLING ACT shall mean Act No. 904 of the Acts of the General Assembly of the State of South Carolina for the year 1960, entitled "AN ACT TO AUTHORIZE THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH CAROLINA TO ACQUIRE STUDENT AND FACULTY HOUSING FACILITIES; TO EMPOWER THE BOARD OF TRUSTEES TO EFFECT LOANS FOR SUCH PURPOSES 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; AND TO MAKE PROVISION FOR THE PAYMENT OF THE LOANS," Approved the 11th day of April, 1960, as now amended or as hereafter amended, implemented or supplemented, or any subsequently enacted legislation which grants to the TRUSTEES the power to issue bonds payable from the revenues of the FACILITIES.

(10) ENTIRE REVENUES shall mean all moneys which the UNIVERSITY shall derive, directly or indirectly, from the use, operation or rental of all FACILITIES which it may now or hereafter possess.

(11) FACILITIES or STUDENT AND FACULTY HOUSING FACILITIES shall mean all the dormitories, student dwelling quarters and facilities, houses, residences, apartment buildings, used or designed for use as student and faculty housing, and all furniture, furnishings and equipment therein, which are now owned by the UNIVERSITY, or which may hereafter be acquired by the UNIVERSITY for any of such purposes, and which are used or are useful in connection with the functioning of the main campus in Columbia. This term shall exclude facilities of this sort which may hereafter be established in connection with the operation of any regional branches of the UNIVERSITY. The term STUDENT AND FACULTY HOUSING FACILITIES shall likewise include such property which may be the subject of leasehold estates in favor of the UNIVERSITY, and such property as to which the UNIVERSITY has become the beneficial owner, if such property be acquired for or shall be used for student or faculty housing. Such term shall not be deemed to include the residence of the President of the UNIVERSITY, located on the campus of the UNIVERSITY, or such portions of the said facilities as are used by matrons or proctors of student dormitories, such facilities being specifically excluded from the definition, pursuant to the provisions of the ENABLING ACT.

(12) 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.

(13) LOAN SUBSIDIES shall mean all sums to become payable to or for the account of the UNIVERSITY 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 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.

(14) OUTSTANDING BONDS shall mean the several series of Student and Faculty Housing Revenue Bonds of the UNIVERSITY.

(15) PAYING AGENT shall mean the banks or financial institutions at which any principal or interest of any series of BONDS shall be payable, or the STATE TREASURER, should that officer be appointed as PAYING AGENT pursuant to Section 13.01.

(16) PUBLICLY HELD OUTSTANDING BONDS shall mean those of the OUTSTANDING BONDS described in subparagraphs (a), (b) and (c) of paragraph 11 of Section 1.01 hereof.

(17) PURCHASER shall mean the individual, corporation or governmental agency acquiring any series of BONDS at the sale thereof.

(18) SPECIAL TRUST FUND shall mean the fund established by Section 24.01 hereof to provide for the payment and retirement of the PUBLICLY HELD OUTSTANDING BONDS.

(19) STATE TREASURER shall mean the State Treasurer of the State of South Carolina.

(20) SUPPLEMENTAL RESOLUTION shall mean the resolution or resolutions providing for the issuance of BONDS of any series and which prescribe inter alia the date of such BONDS, the maturities thereof, interest rate or rates borne thereby, the paying agents thereof, the form and denomination thereof, the redemption provisions, if any, the method of sale or disposition thereof, and the purpose or purposes to which the proceeds thereof shall be applied.

(21) TRUSTEES shall mean the Board of Trustees of the UNIVERSITY.

(22) UNIVERSITY shall mean The University of South Carolina, Columbia, South Carolina.

(23) Words importing persons include firms, associations and corporations.

(24) 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.

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

(26) The words "hereof," "herein," and "hereunder," and words of similar import, shall refer to the BOND RESOLUTION as a whole.

ARTICLE III

GENERAL CONDITIONS

Section 3.01

BONDS to the extent authorized by the ENABLING ACT may be issued from time to time by the adoption of a resolution expressed to be supplementary to the BOND RESOLUTION (the SUPPLEMENTAL RESOLUTION) and if issued in accordance with the provisions of the BOND RESOLUTION when so sold, issued and delivered shall, inter sese, be on a parity in all respects notwithstanding that they may bear different date, interest rate, number, date of execution or date of delivery. It is expressly declared that all OUTSTANDING BONDS except the PUBLICLY HELD OUTSTANDING BONDS shall be deemed to be issued pursuant to and secured by the provisions of the BOND RESOLUTION. A single SUPPLEMENTAL RESOLUTION may become the vehicle for the issuance of more than one series of BONDS.

Section 3.02

BONDS may be issued for any purpose permitted by the ENABLING ACT, including the refunding by exchange or otherwise of any BONDS or OUTSTANDING BONDS.

Section 3.03

All BONDS shall be expressed to mature on June 1 in the years in which the same fall due and shall bear interest payable as of June 1 and December 1 in the years in which interest becomes due. Notwithstanding the provisions of this Section, BONDS may be dated as of any occasion.

Section 3.04

All BONDS shall be issued in such form and 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 any other series. The SUPPLEMENTAL RESOLUTION providing for the issuance of any series of BONDS shall prescribe the form or forms of such BONDS and shall further prescribe as to whether BONDS issued in one form may thereafter be converted into BONDS of another form.

Section 3.05

BONDS shall have such maturities and shall bear such rate or rates of interest as the TRUSTEES shall prescribe in the SUPPLEMENTAL RESOLUTION effecting the issuance thereof, except that the BONDS hereafter issued shall conform to the applicable provisions of ARTICLE IV hereof.

Section 3.06

BONDS may be issued only in accordance with the applicable provisions of ARTICLE IV hereof.

Section 3.07

Both the principal and interest of 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 offices of the PAYING AGENT designated in the SUPPLEMENTAL RESOLUTION providing for the issuance of such particular series. The PAYING AGENT of each series shall act as Registrar of the BONDS of such series and shall maintain for the Treasurer of the UNIVERSITY (and the STATE TREASURER) 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.

Section 3.08

If, in the issuance of any series of BONDS, the TRUSTEES shall have reserved the right, at their option, to redeem all or any portion of such series prior to the stated maturity thereof, then in each such event the TRUSTEES shall give notice thereof, identifying the BONDS or portions thereof to be redeemed,

by publication at least once in a newspaper or financial journal published in the City of New York, State of New York, not less than thirty nor more than sixty days prior to the redemption date, and in case of the redemption of fully registered BONDS or portions thereof or BONDS at the time registered as to principal only, upon mailing a copy of the redemption notice by first class mail at least thirty days prior to the date fixed for redemption to the registered HOLDER of each BOND to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing or any defect therein, shall not affect the validity of any proceedings for the redemption of BONDS. If all of the BONDS to be redeemed are at that time fully registered or registered as to principal only, notice by mailing given by first class mail to the registered HOLDER or HOLDERS thereof, at the address shown on the registration books, not less than thirty days prior to the date fixed for redemption as aforesaid shall be sufficient and published notice of the call for redemption need not be given, and failure duly to give such notice by mailing, or any defect in the notice, to the registered HOLDER of any BOND designated for redemption shall not affect the validity of the proceedings for the redemption of any other BOND. All BONDS so called for redemption shall cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time, and shall no longer be protected by the BOND RESOLUTION and shall not be deemed to be outstanding under the provisions of the BOND RESOLUTION. If, because of the temporary or permanent suspension of the publication or circulation of any such newspaper or financial journal or for any other reason, it is impossible or impractical to publish such notice of call for redemption in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the TRUSTEES and the STATE TREASURER shall constitute a sufficient publication of notice. Each notice shall specify the numbers of the BONDS being called, if less than all of the BONDS are being called, the redemption date, the place or places where amounts due upon such redemption will be payable, and in the case of registered BONDS to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that payment of the applicable redemption price plus accrued interest to the date fixed for redemption will be made upon presentation and surrender of the BONDS.

Section 3.09

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 PAYING AGENT (for such series of BONDS), on registry books to be kept by such PAYING AGENT on behalf of the Treasurer of the UNIVERSITY 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 shall not affect the negotiability of the coupons appertaining thereto, which shall continue to be payable to bearer and transferable by delivery.

Section 3.10

The UNIVERSITY and each PAYING AGENT may treat and consider the bearer of any coupon BOND which shall not at the time be registered as to principal other than to bearer, as the 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 UNIVERSITY, nor any PAYING AGENT, shall be affected by any notice to the contrary. The UNIVERSITY and each PAYING AGENT may treat and consider the bearer of any coupon appurtenant to any coupon BOND as the 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 UNIVERSITY nor any PAYING AGENT shall be affected by any notice to the contrary. The UNIVERSITY and each PAYING AGENT may treat and consider the

person in whose name any coupon BOND shall be registered as to principal upon the books of the PAYING AGENT as the 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 UNIVERSITY, nor any PAYING AGENT, 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 shall be made only to, or upon the order of, the person in whose name such BOND shall be registered. 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 3.11

All BONDS, when issued in fully registered form, shall be transferable only by the registered HOLDER in person or by his attorney duly authorized and upon delivery to the PAYING AGENT (of such series of BONDS) of any appropriate instrument of transfer and assignment in form satisfactory to such PAYING AGENT; no transfer thereof shall become effective until the transfer shall be duly noted by such PAYING AGENT in a Register to be kept by such PAYING AGENT for the Treasurer of the UNIVERSITY and the transfer duly noted on the back of the registered BOND. On the occasion of any transfer of any registered 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. The UNIVERSITY and the PAYING AGENT may treat and consider the person in whose name a fully registered BOND shall be registered as the absolute owner thereof for the purpose of receiving payment of the interest, principal or redemption price thereof and for all purposes whatsoever.

Section 3.12

All BONDS shall be executed in the name of the UNIVERSITY by the manual or facsimile signature of the Chairman of the TRUSTEES, under the Corporate Seal of the UNIVERSITY which shall be impressed or reproduced thereon, and attested by the manual signature of the Secretary, or an Assistant Secretary or acting Secretary, of the TRUSTEES. Interest coupons of any BOND issued in coupon form shall be signed by the facsimile signatures of the Chairman and the Secretary, or an Assistant Secretary or acting Secretary, of the said TRUSTEES. Any facsimile signature appearing on the BONDS and coupons may be those of the persons who are in office on the date of the adoption of the SUPPLEMENTAL RESOLUTION prescribed by Section 3.01, supra. The BONDS shall be manually signed by a person holding office when the BONDS are printed and are ready for delivery. In case any officer whose signature or facsimile of whose signature shall appear on any BONDS or coupons shall cease to be such officer before the delivery of such BONDS, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until the delivery of such BONDS.

PROVIDED, that no BOND issued in fully registered form shall be valid unless the certificate of authentication appearing on such BOND shall be duly executed by an authorized officer of any PAYING AGENT of such series.

Section 3.13

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 inuring to the benefit of all HOLDERS or beneficiaries of the BONDS.

Section 3.14

In the event any BOND is mutilated, lost, stolen or destroyed, the TRUSTEES may execute and the PAYING AGENT may authenticate (if so required by Section 3.12 hereof) a new BOND, of like date, of like series, maturity and denomination as that mutilated, lost, stolen or destroyed, which new BOND shall have attached thereto coupons corresponding in all respects to those (if any) on the BOND mu-

tilated, lost, stolen or destroyed; provided that, in the case of any mutilated BOND, such mutilated BOND together with all coupons (if any) appertaining thereto shall first be surrendered to the TRUSTEES, and in the case of any lost, stolen, or destroyed BOND, there shall be first furnished to the TRUSTEES and the PAYING AGENT of such BOND evidence of such loss, theft or destruction satisfactory to the TRUSTEES and the PAYING AGENT, together with indemnity satisfactory to them. In the event any such BOND or coupon shall have matured, instead of issuing a duplicate BOND or coupon the TRUSTEES may, upon suitable indemnity being provided, pay the same without surrender thereof. The TRUSTEES and the PAYING AGENT of such BOND may charge the HOLDER or owner of such BOND with their reasonable fees and expenses in this connection.

Section 3.15

The principal of and interest on all BONDS shall be payable solely 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 BONDS then outstanding matured or maturing in such FISCAL YEAR shall have been fully paid and discharged, and the UNIVERSITY shall have made all other payments required of it by the BOND RESOLUTION, and shall not be in default as to any covenants made herein, 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 that at any time hereafter shall be outstanding.

Section 3.16

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

ARTICLE IV

CONDITIONS UNDER WHICH BONDS MAY BE ISSUED

Section 4.01

No BONDS shall hereafter be issued pursuant to the BOND RESOLUTION, except pursuant to a SUPPLEMENTAL RESOLUTION, and in full compliance with the applicable terms and conditions set forth in this Section 4.01 and in the remaining sections of this Article IV. BONDS shall be issued only for the purposes set forth in Section 3.02 hereof.

Section 4.02

The UNIVERSITY shall, on the occasion of the issuance of such BONDS, be in full compliance with all of the covenants, undertakings and agreements made in the BOND RESOLUTION and such fact shall be established by a certificate of the Chief Financial Officer of the UNIVERSITY.

Section 4.03

The ENTIRE REVENUES for the FISCAL YEAR next preceding the FISCAL YEAR in which the BONDS shall be issued, as established by an ACCOUNTANT'S CERTIFICATE, shall be not less than one hundred thirty (130%) per centum of the maximum annual principal and interest requirements for any succeeding FISCAL YEAR of all BONDS then issued, and all BONDS then proposed to be issued. Provided, however, that in determining the annual principal and interest requirements of BONDS then issued and BONDS then proposed to be issued, the amount of LOAN SUBSIDIES to become payable in any succeed-

ing FISCAL YEAR shall be subtracted from the annual principal and interest requirements of such BONDS then outstanding and of such BONDS then proposed to be issued, and the 130% test hereby required shall be applied following the subtraction permitted by this proviso.

Section 4.04

The ANNUAL NET REVENUES for the FISCAL YEAR next preceding the FISCAL YEAR in which the proposed issue of BONDS are to be issued, as established by an ACCOUNTANT'S CERTIFICATE, shall be not less than one hundred thirty (130%) per centum of the average annual requirements for principal and interest on all BONDS then outstanding determined as hereinafter in this Section 4.04 provided.

The calculation required by this Section 4.04 to determine the average annual requirements for principal and interest on all BONDS then outstanding shall be effected as follows:

- (a) the aggregate annual principal and interest requirements of all BONDS then outstanding shall be determined for each FISCAL YEAR in which BONDS are expressed to mature, or in which interest is to be paid;
- (b) the total of all principal and interest requirements of all BONDS then outstanding for all FISCAL YEARS in which BONDS are expressed to mature or in which interest is to be paid 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 during the period of FISCAL YEARS during which BONDS are expressed to mature or in which interest is to be paid;
- (d) the remainder obtained pursuant to paragraph (c) shall be divided by the number of FISCAL YEARS during which BONDS then outstanding are expressed to mature or in which interest is to be paid;
- (e) the quotient thus obtained shall reflect the average annual requirements of principal and interest of BONDS then outstanding; and
- (f) each calculation required by any of paragraphs (a) through (e), inclusive, shall be determined as of the date to be borne by the then proposed series of BONDS, and shall assume that all sums then due on BONDS have been paid provided that moneys therefor shall be in the hands of the PAYING AGENT thereof.

Section 4.05

If the proceeds of the 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 4.05) 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 4.05) of other than 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 4.05) of the principal and interest on all BONDS then outstanding, and on the 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 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, less the estimated cost of operation and maintenance.
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 other 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 BONDS then outstanding and on the BONDS proposed to be issued shall be computed in accordance with the applicable provisions in paragraphs (a) through (e), inclusive, of Section 4.04 hereof, except that the determination contemplated by the foregoing paragraphs of Section 4.04 shall include (i) the principal and interest requirements of the BONDS then proposed to be issued; (ii) LOAN SUBSIDIES applicable thereto; and (iii) any additional number of years for which such BONDS shall be outstanding.
4. The computation required by paragraphs 1 and 2 of this Section 4.05 shall be made by the Chief Financial Officer of the UNIVERSITY and shall be approved by the TRUSTEES.

Section 4.06

If BONDS are issued for the purpose of refunding by exchange any BONDS then outstanding (including OUTSTANDING BONDS) such BONDS shall mature and bear interest and be subject to redemption in accordance with the terms and provisions of the BONDS with which such BONDS are to be exchanged and may be dated as of the date borne by such exchanged BONDS. It shall not be necessary in the issuance of BONDS pursuant to this Section 4.06 to establish a compliance with the provisions of Sections 4.03 and 4.04.

Section 4.07

If BONDS are issued for the purpose of obtaining funds to effect the refunding of less than all BONDS then outstanding, such refunding BONDS shall bear interest at a lower rate than that in effect on the BONDS to be refunded, except that refunding BONDS or portions thereof, may be issued at a higher rate of interest than that borne by the BONDS which are being refunded, if they shall be expressed to mature subsequent to the last maturing 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 of redemption of the last maturing BONDS then outstanding.

Section 4.08

The UNIVERSITY shall obtain COUNSEL'S OPINION that the BONDS are being issued for purposes authorized by the ENABLING ACT.

Section 4.09

The UNIVERSITY shall obtain COUNSEL'S OPINION that the title to any tract of land to be acquired with any part of the proceeds of any BONDS shall be good and marketable, and will vest in the UNIVERSITY 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 BONDS then to be outstanding.

Section 4.10

The maturity schedule of each series of BONDS (except those issued pursuant to Section 4.06) 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 then outstanding are expressed to mature; but this 5% limitation on the amount of BONDS which may be expressed to mature in FISCAL YEARS wherein BONDS then outstanding are expressed to mature may be disregarded in any FISCAL YEAR whenever the aggregate of

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

does not exceed the maximum annual (FISCAL YEAR) principal payment of BONDS then outstanding, maturing in such FISCAL YEARS.

In such FISCAL YEARS wherein the 5% limitation may be thus ignored, BONDS may be expressed to mature to such extent as shall not exceed the maximum annual principal payment of BONDS then 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 1980 BONDS, Series X, in the principal amount of \$2,000,000 are proposed to be issued. At such time there are outstanding an aggregate of \$12,000,000 of BONDS. The aggregate principal maturities of BONDS then outstanding are as follows:

- \$500,000 on June 1 in the years 1981 to 1995, inclusive; and
- \$100,000 on June 1 in the year 1996.

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

- (i) During the years 1981 to 1995, inclusive, not more than \$100,000 of BONDS, Series X, may be expressed to mature;
- (ii) In the year 1996, not more than \$500,000 of BONDS, Series X, may mature; and
- (iii) In the years 1997 and thereafter, there is no limitation on the amount of BONDS, Series X, that may be expressed to mature in such years.

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

Section 4.11

The TRUSTEES, the PAYING AGENT or BONDHOLDERS and all purchasers of all BONDS to be issued shall be entitled to rely upon and shall be bound by:

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

ARTICLE V

GENERAL COVENANT AS TO RATES AND CHARGES

Section 5.01

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, which, together with LOAN SUBSIDIES to which the UNIVERSITY is entitled, shall at all times be sufficient (1) to pay the interest on and principal of the BONDS then outstanding and 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 prescribed by the resolution authorizing the issuance of the BONDS, and (3) to discharge such other and further obligations as shall have been incurred by the UNIVERSITY under the BOND RESOLUTION.

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 obtain the fullest utilization thereof.

Section 5.02

In making the covenants and agreements set forth in Section 5.01 the TRUSTEES shall not be precluded from fixing rates, different from other rates, for any particular additional FACILITIES which may be constructed with the proceeds of any series of BONDS.

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, the funds described in 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 that may at any time be outstanding. This fund shall at all times be kept on deposit with the STATE TREASURER and shall be disbursed by the STATE TREASURER to the PAYING AGENT of the several series of 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 or interest installments of any BONDS shall fall due, except that with respect to BONDS issued in fully registered form, or coupon BONDS registered as to principal only, payments shall be made in accordance with the terms and provisions of such BONDS.

To the extent practical, moneys in the DEBT SERVICE FUND shall be invested and reinvested in obligations permitted by Act No. 438 of the Acts of the General Assembly for the year 1967, as now or hereafter amended, having maturities consonant with the need for moneys, but in no event, longer than twelve (12) 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 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 STATE TREASURER and withdrawn only by the STATE TREASURER. 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 at such time outstanding.

To the extent practical, moneys in the DEBT SERVICE RESERVE FUND shall be invested and reinvested in obligations permitted by Act. No. 438 of the Acts of the General Assembly for the year 1967, as now or hereafter amended, 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 investments 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 ENTIRE REVENUES which the UNIVERSITY shall derive from the FACILITIES shall be duly collected, segregated from other revenues of the UNIVERSITY and kept on deposit with the STATE TREASURER or, at the option of the TRUSTEES and with the written permission of the STATE TREASURER, 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.

Section 7.02

For the period beginning July 1 and ending December 31, in each year, disposition shall be made of the ENTIRE REVENUES in the order of priority established by the numerical sequence of the sub-paragraphs of this section.

1. On or before November 15 in each year the STATE TREASURER shall effect the deposit in the DEBT SERVICE FUND of such amounts of the ENTIRE REVENUES which together with LOAN SUBSIDIES then applicable therefor, will provide the STATE TREASURER with sufficient moneys to:

- (a) discharge all installments of interest due on any BONDS on December 1 next ensuing;

- (b) have on hand a sum equal to 50% of the aggregate principal payments to fall due on June 1 next ensuing on all BONDS; and
 - (c) discharge all past due installments of interest and all matured 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) that sum which is 6% of the aggregate of the principal amount of BONDS then outstanding, or
 - (ii) that sum which reflects the maximum annual debt service requirement of all BONDS then outstanding,
- the STATE TREASURER shall effect the deposit in the DEBT SERVICE RESERVE FUND, of a sum equal to 5% of the sum required 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 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 then outstanding, or for any other lawful purpose.

Section 7.03

The ENTIRE REVENUES derived from the FACILITIES during the period beginning January 1 and ending June 30, in each year shall be disposed of in the order of priority established by the numerical sequence of the sub-paragraphs of this Section.

1. On or before May 15 in each year the STATE TREASURER shall effect the deposit in the DEBT SERVICE FUND of such amounts of the ENTIRE REVENUES which together with LOAN SUBSIDIES then applicable therefor, as will provide the STATE TREASURER with sufficient moneys to:
- (a) discharge all installments of interest due on any BONDS on June 1 next ensuing;
 - (b) (when added to payment made pursuant to 7.02(1)(b)) effect the payment of the aggregate principal payments to fall due on June 1 next ensuing on all BONDS;
 - (c) discharge all past due installments of interest and all matured 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) that sum which is 6% of the aggregate of the principal amount of BONDS then outstanding, or
 - (ii) that sum which reflects the maximum annual debt service requirement of all BONDS then outstanding,
- the STATE TREASURER shall effect the deposit in the DEBT SERVICE RESERVE FUND, of a sum equal to 5% of the sum required 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 and extension of the FACILITIES, or to the payment of BONDS then outstanding, or for any other lawful purpose.

ARTICLE VIII OPERATION OF FACILITIES

Section 8.01

For the protection of the BONDHOLDERS, the TRUSTEES covenant and agree that they will faithfully perform and observe all of the covenants herein set forth in the remaining sections of this Article.

Section 8.02

The TRUSTEES agree 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.

Section 8.03

The TRUSTEES agree 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 BOND RESOLUTION.

Section 8.04

The TRUSTEES agree 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 UNIVERSITY), which shall reflect all sums which the TRUSTEES intend to spend or dispose of for such FACILITIES during each 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 BOND RESOLUTION.
- (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.

Section 8.05

The TRUSTEES agree to implement the pledge of LOAN SUBSIDIES made by Section 3.15 hereof, and pay, or cause to be paid, to the STATE TREASURER all LOAN SUBSIDIES.

ARTICLE IX

ADDITIONAL COVENANTS

Section 9.01

For the protection of the BONDHOLDERS, the TRUSTEES covenant and agree that they will faithfully perform and observe all of the covenants herein set forth in the remaining sections of this Article.

Section 9.02

The TRUSTEES covenant and represent that no part of the FACILITIES, nor any portion of the ENTIRE REVENUES has been hypothecated, mortgaged, otherwise pledged or encumbered, save and except as herein recited or provided for, and that prior to the delivery of any BONDS pursuant to the BOND RESOLUTION, provision will be made for the payment and redemption of all presently outstanding bonds which have a claim to the revenues of the FACILITIES.

Section 9.03

The TRUSTEES covenant that they will permit no free use to be made of any of the FACILITIES.

Section 9.04

The TRUSTEES covenant that so long as any BONDS be outstanding and unpaid, they will perform all duties with respect to the said FACILITIES, required by the ENABLING ACT and the BOND RESOLUTION.

THIS CASE MAY HAVE SOME OR ALL OF THE FOLLOWING DEFECTS WHICH MAY BE QUESTIONABLE WHEN READING. IN SPECIAL PROBLEM AREAS, THIS ROLL NOTE MAY BE REFILMED BEFORE THE DOCUMENT OR DOCUMENTS IN QUESTION.

1. PHOTOCOPY NOT CENTERED PROPERLY CUTTING OFF SOME OF THE INFORMATION.
2. DOCUMENTS ARE OF POOR LEGIBILITY AND MAY NOT PHOTOGRAPH WELL.
3. DOCUMENTS DAMAGED OR TORN BEFORE ARRIVING FOR FILMING.
4. DOCUMENTS CONTAIN A DOUBLE-COPY IMAGE, THE UNDERLYING IMAGE IS IRRELEVANT TO THE READABLE INFORMATION.
5. OVERSIZED DOCUMENTS THAT COMPRISE TWO OR MORE FRAMES.
6. DOCUMENTS WITH GLUED INSERTS WHICH WERE OR COULD NOT BE REMOVED, INFORMATION MAY OR MAY NOT BE UNDER THE INSERT.

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.

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 said FACILITIES, which may be a part of the general audit of the affairs of the UNIVERSITY. A copy of such audit, accompanied by an ACCOUNTANT'S CERTIFICATE of accuracy shall be forwarded to the STATE TREASURER, and other copies made available to every BOND-HOLDER who shall have signified in writing to the TRUSTEES his desire to obtain copies of such audit.

ARTICLE XI

SALE AND DISPOSITION OF FACILITIES AND DISPOSITION OF PROCEEDS THEREFROM

Section 11.01

The TRUSTEES shall have the right to dispose of any obsolete or worn out equipment, furniture and furnishings which may be at any time a part of the FACILITIES, but all moneys realized therefrom shall be treated as a part of the ENTIRE REVENUES and disposed of as herein prescribed for the disposition of the ENTIRE REVENUES. The TRUSTEES may raze any portion of the FACILITIES which they find no longer to be serviceable, but only after the receipt of a written recommendation by the Chief Financial Officer of the UNIVERSITY to the effect that such portion of the FACILITIES is no longer suitable for the purposes intended and the destruction thereof will not adversely affect the ability of the UNIVERSITY to discharge its obligations under the BOND RESOLUTION. Such action shall be taken only by resolution duly adopted by the TRUSTEES and to which shall be appended as an Exhibit the written recommendation of the Chief Financial Officer.

Section 11.02

The TRUSTEES may sell and dispose of any portion of the FACILITIES, but only if:

1. Prior to any sale of any portion of the FACILITIES, the TRUSTEES shall have received the written recommendation of the Chief Financial Officer of the UNIVERSITY stating that in the opinion of such officer the sale of the portion of the FACILITIES is desirable and will not adversely affect the ability of the UNIVERSITY to discharge its covenants hereunder.

2. The TRUSTEES shall have received an appraisal from an independent appraiser of recognized standing stating that in his opinion the purchase price to be received by the UNIVERSITY represents the full market value of the portion of the FACILITIES sought to be sold.

3. A resolution shall have been adopted to which shall have been appended the recommendation of the Chief Financial Officer and the independent appraiser, approving the sale and prescribing that the purchase price shall be deposited in a separate fund with the STATE TREASURER and applied either (1) toward the cost of constructing additional FACILITIES whose revenues shall become a part of the ENTIRE REVENUES, or (2) applied to the payment and redemption of the BONDS in the inverse chronological order of their maturity except that, as to the BONDS of any series which shall not then be subject to redemption, such series may be disregarded for the purpose of effecting the redemption of BONDS as required by this Section; provided that if the UNIVERSITY shall sell the properties located on the Northeast corner of Sumter and Gervais Streets, formerly known as the Columbia Hotel which is presently a part of the FACILITIES, then in such event so much of the purchase price as may be required therefor may be applied to the payment of the redemption of the BONDS, SECOND SERIES OF 1966, dated June 1, 1966.

Section 9.05

The TRUSTEES covenant 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 BOND RESOLUTION.

Section 9.06

The TRUSTEES covenant that they will keep the buildings which constitute the FACILITIES, and all furnishings, furniture, 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 BONDS outstanding; PROVIDED, ALWAYS, that in case the face amount of such outstanding 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, 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 source 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 STATE TREASURER, who shall hold the same in a special fund, separate and distinct from all other funds heretofore established by the BOND RESOLUTION, and shall be used by him solely for the redemption of bonds payable from the ENTIRE REVENUES.

Section 9.07

The TRUSTEES covenant that they will secure adequate fidelity bonds, covering all persons handling moneys of the FACILITIES, other than the STATE TREASURER and the PAYING AGENT.

Section 9.08

The TRUSTEES covenant that all moneys received by 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.

Section 9.09

The TRUSTEES covenant that all insurance policies will be open to the inspection of the BONDHOLDERS at all reasonable times.

Section 9.10

The TRUSTEES agree 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 X

AGREEMENT TO FURNISH INFORMATION

Section 10.01

The TRUSTEES recognize that those who may from time to time hereafter be the HOLDERS of the BONDS will, throughout the life of the 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.

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 said FACILITIES, which may be a part of the general audit of the affairs of the UNIVERSITY. A copy of such audit, accompanied by an ACCOUNTANT'S CERTIFICATE of accuracy shall be forwarded to the STATE TREASURER, and other copies made available to every BOND-HOLDER who shall have signified in writing to the TRUSTEES his desire to obtain copies of such audit.

ARTICLE XI

SALE AND DISPOSITION OF FACILITIES AND DISPOSITION OF PROCEEDS THEREFROM

Section 11.01

The TRUSTEES shall have the right to dispose of any obsolete or worn out equipment, furniture and furnishings which may be at any time a part of the FACILITIES, but all moneys realized therefrom shall be treated as a part of the ENTIRE REVENUES and disposed of as herein prescribed for the disposition of the ENTIRE REVENUES. The TRUSTEES may raze any portion of the FACILITIES which they find no longer to be serviceable, but only after the receipt of a written recommendation by the Chief Financial Officer of the UNIVERSITY to the effect that such portion of the FACILITIES is no longer suitable for the purposes intended and the destruction thereof will not adversely affect the ability of the UNIVERSITY to discharge its obligations under the BOND RESOLUTION. Such action shall be taken only by resolution duly adopted by the TRUSTEES and to which shall be appended as an Exhibit the written recommendation of the Chief Financial Officer.

Section 11.02

The TRUSTEES may sell and dispose of any portion of the FACILITIES, but only if:

1. Prior to any sale of any portion of the FACILITIES, the TRUSTEES shall have received the written recommendation of the Chief Financial Officer of the UNIVERSITY stating that in the opinion of such officer the sale of the portion of the FACILITIES is desirable and will not adversely affect the ability of the UNIVERSITY to discharge its covenants hereunder.

2. The TRUSTEES shall have received an appraisal from an independent appraiser of recognized standing stating that in his opinion the purchase price to be received by the UNIVERSITY represents the full market value of the portion of the FACILITIES sought to be sold.

3. A resolution shall have been adopted to which shall have been appended the recommendation of the Chief Financial Officer and the independent appraiser, approving the sale and prescribing that the purchase price shall be deposited in a separate fund with the STATE TREASURER and applied either (1) toward the cost of constructing additional FACILITIES whose revenues shall become a part of the ENTIRE REVENUES, or (2) applied to the payment and redemption of the BONDS in the inverse chronological order of their maturity except that, as to the BONDS of any series which shall not then be subject to redemption, such series may be disregarded for the purpose of effecting the redemption of BONDS as required by this Section; provided that if the UNIVERSITY shall sell the properties located on the Northeast corner of Sumter and Gervais Streets, formerly known as the Columbia Hotel which is presently a part of the FACILITIES, then in such event so much of the purchase price as may be required therefor may be applied to the payment of the redemption of the BONDS, SECOND SERIES OF 1966, dated June 1, 1966.

ARTICLE XII
STATE TREASURER AND HIS FUNCTIONS
WITH RESPECT TO THE BONDS

Section 12.01

The STATE TREASURER is hereby designated and shall act as the corporate trustee for the BOND-HOLDERS and is hereby appointed to act in such capacity.

Section 12.02

In his capacity as corporate trustee hereunder, the STATE TREASURER 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 whose proceeds are intended to construct or renovate FACILITIES in such manner as may be prescribed in the SUPPLEMENTAL RESOLUTION for the issuance of BONDS of such series;
- (4) To make semi-annual reports to the TRUSTEES
 - (a) establishing balances on hand; and
 - (b) listing investments made for any fund handled by the STATE TREASURER.

Section 12.03

It shall be the further duty of the STATE TREASURER to give written notice to the TRUSTEES on or before each November 16 and each May 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 December 1 and June 1 next ensuing, and the extent to which resort must be had to the DEBT SERVICE RESERVE FUND to meet such deficiency.

Section 12.04

Prior to the delivery of any BONDS, the STATE TREASURER appointed pursuant to Section 12.01 shall signify his acceptance of the powers, duties and obligations conferred and imposed upon him by the BOND RESOLUTION, by executing and delivering to the TRUSTEES a written acceptance thereof.

Section 12.05

The recitals of fact made in the BOND RESOLUTION and in the BONDS shall be taken as statements of the TRUSTEES, and neither the STATE TREASURER nor the State of South Carolina shall be deemed to have made any representation as to the correctness of the same, nor shall the STATE TREASURER be deemed to have made any representation whatsoever as to the validity or sufficiency of the BOND RESOLUTION or of the BONDS or the coupons appertaining thereto. The STATE TREASURER shall have no responsibility with respect to the issuance of the BONDS or the application of the proceeds thereof, except to the extent provided for herein.

Section 12.06

The STATE TREASURER 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 12.07

The STATE TREASURER may, at the directive of the General Assembly, resign and be discharged of 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 12.08

In case at any time the STATE TREASURER shall resign, a successor 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 \$10,000,000.

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 12.09

If, in a proper case, no appointment of a successor shall be promptly made pursuant to Section 12.08 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 12.10

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 fully 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 12.11

Any bank into which any successor corporate trustees 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 successor bank to which the corporate trustees 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 12.08) in lieu of the bank then acting as corporate trustee.

Section 12.12

Unless the same be secured as trust funds in the manner provided by the applicable regulations issued by the Comptroller of the Currency of the United States of America, all funds in the custody of any bank acting as 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 a market value at least equal to the sum on deposit and not insured as aforesaid by the Federal Deposit Insurance Corporation.

Section 12.13

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 bank then acting as 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 Five Million Dollars.

ARTICLE XIII

APPOINTMENT OF PAYING AGENTS

Section 13.01

Prior to the delivery of any series of BONDS, a PAYING AGENT (which may be either the STATE TREASURER or one or more financial institutions approved by the TRUSTEES) shall be appointed for such series. Any bank into which any PAYING AGENT 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 successor bank to which the PAYING AGENT may sell or transfer all or substantially all of its business, shall become the successor PAYING AGENT without the execution or filing of any paper or the performance of any further act.

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 XIV

DISPOSITION OF PAID BONDS AND COUPONS

Section 14.01

It shall be the duty of each PAYING AGENT to cancel all BONDS which have been paid, whether upon their maturity or redemption prior to maturity, all coupons that have been paid, and all unmatured coupons on BONDS redeemed prior to their stated maturities; such cancellation shall be done in such fashion as to render such 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 XV

STATUTORY LIEN AND RECEIVER

Section 15.01

For the further protection of the HOLDERS of 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 UNIVERSITY, the TRUSTEES and said FACILITIES, and shall take effect immediately upon the delivery of any BONDS.

Section 15.02

If there be any default in the payment of the principal of or interest on any 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 XVI
MODIFICATION BY THE UNIVERSITY OF THE BOND
RESOLUTION

Section 16.01

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

1. To close the BOND RESOLUTION against, or provide limitations and restrictions in addition to, the limitations and restrictions contained in the BOND RESOLUTION on the issuance, in the future, of BONDS.
2. To add to the covenants and agreements of the TRUSTEES in the BOND RESOLUTION, 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 BONDS.
3. To surrender any right, power or privilege reserved to or conferred upon the TRUSTEES or the UNIVERSITY by the BOND RESOLUTION.
4. To authorize the issuance of BONDS pursuant to or in conformity with the BOND RESOLUTION.
5. To cure, correct or remove any ambiguity or inconsistent provisions contained in the BOND RESOLUTION.

Section 16.02

No such resolution adopted by the TRUSTEES pursuant to Section 16.01 shall become effective until certified copies thereof shall be delivered to the STATE TREASURER and to each PAYING AGENT of all series of BONDS, and notice thereof given in a financial journal published in the City of New York, State of New York.

ARTICLE XVII
MODIFICATION OF BOND RESOLUTION WITH APPROVAL
OF BONDHOLDERS

Section 17.01

The rights and duties of the TRUSTEES and the BONDHOLDERS, and the terms and provisions of the BOND RESOLUTION, 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 ($66\frac{2}{3}\%$) in principal amount of the BONDS then outstanding, such consent to be evidenced by an instrument or instruments executed by the HOLDERS thereof and duly acknowledged or provided 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; PROVIDED, ALWAYS, that the provision of this covenant shall not affect the right of the UNIVERSITY to issue refunding bonds payable from the ENTIRE REVENUES, if such refunding bonds be issued in conformity with the provisions of ARTICLE IV.
2. Effect a reduction in the amount which the UNIVERSITY 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 UNIVERSITY is obligated to effect payment of the principal, interest and redemption premiums of any BONDS.
4. Permit the creation of a lien on the revenues of the FACILITIES prior to or equal to the BONDS, except as authorized by the BOND RESOLUTION.

5. Permit preference or priority of any 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 required for the written consent to any modification or alteration of the provisions of the BOND RESOLUTION.

Section 17.02

No such resolution adopted by the TRUSTEES pursuant to Section 17.01 shall become effective until certified copies thereof shall be delivered to the STATE TREASURER and to each PAYING AGENT of all series of BONDS, and notice thereof given in a financial journal published in the City of New York, State of New York.

ARTICLE XVIII EVENTS OF DEFAULT

Section 18.01

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 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 UNIVERSITY 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 the BOND RESOLUTION, 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 BOND HOLDER

ARTICLE XIX REMEDIES

Section 19.01

If the UNIVERSITY be in default as to the payment of any installment of principal or interest upon any 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 then outstanding may, by notice in writing to the UNIVERSITY, declare

the principal of all BONDS then outstanding (if not 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 shall have been so declared to be due and payable, all arrears of interest, if any, upon all the BONDS then outstanding, and all other indebtedness secured hereby (except the principal of any BONDS not then due by their terms, and interest accrued on such 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 BONDS, or herein contained, shall be made good, or provision therefor satisfactory to the HOLDERS of such BONDS shall have been made, then and in every such case, the HOLDERS of not less than fifteen per centum (15%) in principal amount of the BONDS then outstanding may, by written notice to the UNIVERSITY, 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 19.02

Upon the happening and continuance of any event of default, as provided in ARTICLE XVIII, then and in every such case, any BONDHOLDER may proceed, subject to the provisions of Section 19.04 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 BOND RESOLUTION 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. Nothing herein contained shall confer upon any court of competent jurisdiction the power to order a sale of any of the FACILITIES.

Section 19.03

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 UNIVERSITY 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 19.04

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 and coupons.

Section 19.05

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 19.06

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 XX
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 20.01

Whenever BONDS have been issued pursuant to the BOND RESOLUTION, their proceeds shall be disposed of in the manner prescribed by the resolution amending the BOND RESOLUTION, but in all events any accrued interest received at the sale of any BONDS shall be deposited in the DEBT SERVICE FUND, and any premium received from the sale of BONDS shall be deposited in the DEBT SERVICE RESERVE FUND.

ARTICLE XXI
METHOD OF DETERMINING BONDHOLDERS

Section 21.01

Any consent, request, direction, approval, waiver, objection or other instrument required by the BOND RESOLUTION 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 BOND RESOLUTION, and shall be conclusive in favor of the TRUSTEES, the STATE TREASURER 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 or 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 acknowledgments 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 be 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 STATE TREASURER 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 XXII

DEFEASANCE

Section 22.01

If all of the BONDS, and coupons representing interest thereon, issued pursuant to the BOND RESOLUTION and all resolutions amendatory or supplemental thereto, shall have been paid and discharged, then the obligations of the UNIVERSITY under the BOND RESOLUTION, the pledge of revenues made thereby, and all other rights granted thereby shall cease and determine. 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 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, or the interest thereon, shall have occurred on the stated maturities of such 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 UNIVERSITY shall elect to redeem the 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 BOND RESOLUTION and shall have deposited with the PAYING AGENT, in an irrevocable trust, the aggregate of all sums to become due on the BONDS to the first available redemption date, by way of principal, interest and redemption premium (if any). And if the UNIVERSITY, having elected to redeem the 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 shall be disregarded in determining whether the UNIVERSITY shall comply with the provisions of ARTICLE IV relating to the issuance of BONDS.

Section 22.02

Any moneys which at any time shall be deposited with the PAYING AGENT, by or on behalf of the UNIVERSITY, for the purpose of paying and discharging any 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 or coupons, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. But if, through lapse of time or otherwise, the HOLDERS of said 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 UNIVERSITY.

Section 22.03

The UNIVERSITY covenants and agrees 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 XXIII

IMMEDIATE ESTABLISHMENT OF DEBT SERVICE RESERVE FUND

Section 23.01

Prior to the issuance of any BONDS, the TRUSTEES shall deposit with the STATE TREASURER for deposit in the DEBT SERVICE RESERVE FUND all cash and securities remaining in the cushion fund described in Section 1.01, Paragraph 13, save and except that cash and those securities deposited in the Special Trust Fund established pursuant to the directive of ARTICLE XXIV.

ARTICLE XXIV
SPECIAL TRUST FOR PUBLICLY HELD
OUTSTANDING BONDS

Section 24.01

Prior to the delivery of any BONDS, the aggregate of moneys required to effect the payment of the principal, interest and redemption premium of all outstanding PUBLICLY HELD BONDS shall be deposited with The South Carolina National Bank (now acting as corporate trustee and custodian of the cushion fund established for the outstanding BONDS) in a special and irrevocable trust fund, applicable solely to the payment in full of such PUBLICLY HELD BONDS. The amount to be deposited shall be the aggregate of the principal and interest (to maturity) plus the maximum redemption premium (if any) to become due thereon.

Section 24.02

Such trust shall be evidenced by an instrument in writing which shall prescribe that until the payment of all PUBLICLY HELD OUTSTANDING BONDS no withdrawal therefrom shall be made except to provide for the payment of the principal and interest thereof. PROVIDED, ALWAYS, that the defeasance clause of the proceedings pursuant to which such PUBLICLY HELD OUTSTANDING BONDS were issued shall apply to bonds and coupons for which the PAYING AGENT thereof shall hold on the date of their maturity all moneys required for the payment therefor. Such instrument of trust shall likewise provide that any holder of a PUBLICLY HELD BOND shall be entitled (upon ninety days written notice) to receive payment therefor on any interest payment date prior to the maturity thereof at par and accrued interest to the date of payment. Such instrument of trust shall provide that pending the use of the proceeds of the trust, moneys held by the trustee may be invested and reinvested in obligations permitted by Act No. 438 of 1967, but with such maturities as to insure the availability of funds on each payment date. All income earned from such investments shall be added to the special trust until its termination when, after paying all charges and expenses of the trustee, it shall be remitted to the STATE TREASURER and deposited in the DEBT SERVICE RESERVE FUND. The execution of a proper instrument of trust by the proper officers of the UNIVERSITY is hereby authorized.

ARTICLE XXV
TENOR OF OBLIGATIONS

Section 25.01

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

ARTICLE XXVI
SAVING CLAUSE

Section 26.01

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

ARTICLE XXVII
REPEALING CLAUSE

Section 27.01

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

ARTICLE XXVIII
MULTIPLE EXECUTION

Section 28.01

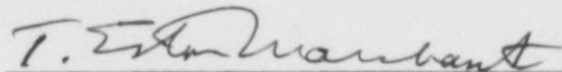
The BOND RESOLUTION has been prepared and is being executed in several counterparts, each of which is an original and all of which are identical. Each counterpart so executed shall be deemed an original of the BOND RESOLUTION and all counterparts thereof are to be deemed but one instrument.

ARTICLE XXIX
EFFECTIVE DATE

Section 29.01

The BOND RESOLUTION shall become effective when (1) it has been consented to by holders of all OUTSTANDING BONDS except PUBLICLY HELD OUTSTANDING BONDS, and (2) when the deposit in trust required by ARTICLE XXIV shall have been effected.

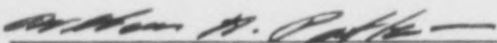
DONE IN MEETING DULY ASSEMBLED this 29th day of March, A. D. 1971.



Chairman of the Board of Trustees of the University
of South Carolina.

(SEAL)

Attest:



Secretary of the Board of Trustees of the University
of South Carolina.

STATE OF SOUTH CAROLINA,
COUNTY OF RICHLAND.

I, William H. Patterson, _____ Secretary of the Board of Trustees of the University of South Carolina, DO HEREBY CERTIFY that the foregoing is a true, correct and verbatim copy of a resolution adopted by said Board of Trustees at a meeting duly called and regularly held on the 29th day of March, 1971, at which meeting a quorum was present and voted unanimously in favor of the adoption of said resolution.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of the Board of Trustees of the University of South Carolina, this 22nd day of April, A. D., 1971.

(SEAL)

William H. Patterson
Secretary of the Board of Trustees of the University
of South Carolina.

EXHIBIT "C" SHOWING

OUTSTANDING STUDENT AND FACULTY HOUSING REVENUE BONDS OF THE
UNIVERSITY OF SOUTH CAROLINA HELD BY THE STATE BUDGET AND
CONTROL BOARD OF SOUTH CAROLINA, AS TRUSTEE OF THE FUNDS OF
THE SOUTH CAROLINA RETIREMENT SYSTEM -PREPARED AS OF 3-29-71

1. \$376,000 of an original issue of \$850,000 University of South Carolina Student and Faculty Housing Revenue Bonds, Series of 1954, dated June 1, 1954. The unmatured bonds mature in annual installments as follows: \$39,000 on June 1 in each of the years 1971 to 1974, inclusive; and \$44,000 on June 1 in each of the years 1975 to 1979, inclusive. All bonds bear interest at the rate of 3% per annum, payable on the 1st days of June and December of each year. Interest on all bonds is paid through December 1, 1970. The unmatured bonds are subject to redemption, at a redemption price of par and accrued interest to the date of redemption, plus a redemption premium of 2% of their par value if redeemed on an interest date from June 1, 1966 to December 1, 1971, inclusive; and 1% of their par value if redeemed on an interest date from June 1st, 1972 to December 1st, 1978, inclusive.
2. \$ 20,000 of an original issue of \$50,000 University of South Carolina Student and Faculty Housing Revenue Bonds, Second Series of 1954, dated June 1, 1954. The unmatured bonds mature in annual installments as follows: \$2,000 on June 1 in each of the years 1971 to 1978, inclusive; and \$4,000 on June 1 in the year 1979. All bonds bear interest at the rate of 3% per annum, payable on the 1st days of June and December of each year. Interest on all bonds is paid through December 1, 1970. The unmatured bonds are subject to redemption at a redemption price of par and accrued interest to the date of redemption, plus a redemption premium of 2% of their par value if redeemed on an interest date from June 1, 1966 to December 1, 1971, inclusive; and 1% of their par value if redeemed on an interest date from June 1, 1972 to December 1, 1978, inclusive.
3. \$195,000 of an original issue of \$400,000 University of South Carolina Student and Faculty Housing Revenue Bonds, First Series of 1955, dated June 1, 1955. The unmatured bonds mature in annual installments as follows: \$18,000 on June 1 in each of the years 1971 to 1975, inclusive; and \$21,000 on June 1 in each of the years 1976 to 1980, inclusive. All bonds bear interest at the rate of 3% per annum, payable on the 1st days of June and December of each year. Interest on all bonds is paid through December 1, 1970. The unmatured bonds

are subject to redemption on any interest payment date at a redemption price of par and accrued interest to the date of redemption, plus a redemption premium of 2% if redeemed on or after June 1, 1966, but prior to June 1, 1972, or a redemption premium of 1% if redeemed thereafter but prior to the date of their stated maturities.

4. \$ 20,000 of an original issue of \$50,000 University of South Carolina Student and Faculty Housing Revenue Bonds, Second Series of 1955, dated June 1, 1955. The unmatured bonds mature in annual installments of \$2,000 on June 1 in each of the years 1971 to 1980, inclusive. All bonds bear interest at the rate of 3% per annum, payable on the 1st days of June and December of each year. Interest on all bonds is paid through December 1, 1970. The unmatured bonds are subject to redemption on any interest payment date at a redemption price of par and accrued interest to the date of redemption, plus a redemption premium of 2% if redeemed on or after June 1, 1966, but prior to June 1, 1972, or a redemption premium of 1% if redeemed thereafter but prior to the date of their stated maturities.
5. \$350,000 of an original issue of \$950,000 University of South Carolina Student and Faculty Housing Revenue Bonds, First Series of 1956, dated June 1, 1956. The unmatured bonds mature in annual installments of \$50,000 on June 1 in each of the years 1971 to 1977, inclusive. All bonds bear interest at the rate of 3% per annum, payable on the 1st days of June and December of each year. Interest on all bonds is paid through December 1, 1970. The unmatured bonds are subject to redemption on any interest payment date at a redemption price of par and accrued interest to the date of redemption, plus a redemption premium of 2% of their par value if redeemed on or after June 1, 1967 but prior to June 1, 1973, or a redemption premium of 1% if redeemed thereafter but prior to the date of their stated maturities.
6. \$455,000 of an original issue of \$750,000 University of South Carolina Student and Faculty Housing Revenue Bonds, First Series of 1957, dated June 1, 1957. The unmatured bonds mature in annual installments as follows: \$30,000 on June 1 in each of the years 1971 and 1972; \$36,000 on June 1 in each of the years 1973 to 1977; inclusive; and \$43,000 on June 1 in each of the years 1978 to 1982, inclusive. All bonds bear interest at the rate of 4% per annum, payable on the 1st days of June and December of each year. Interest on all bonds is paid through December 1, 1970. The unmatured bonds are subject to redemption on any interest payment date

at a redemption price of par and accrued interest to the date of redemption, plus a redemption premium of 2% of their par value if redeemed on or after June 1, 1968 but prior to June 1, 1974, or a redemption premium of 1% if redeemed on June 1, 1974, or thereafter, but prior to the date of their stated maturities.

7. \$363,000 of an original issue of \$550,000 University of South Carolina Student and Faculty Housing Revenue Bonds, First Series of 1959, dated June 1, 1958. The unmatured bonds mature in annual installments as follows: \$22,000 on June 1 in each of the years 1971 to 1974, inclusive; \$25,000 on June 1 in each of the years 1975 to 1979, inclusive; and \$30,000 on June 1 in each of the years 1980 to 1984, inclusive. All bonds bear interest at the rate of 4% per annum, payable on the 1st days of June and December of each year. Interest on all bonds is paid through December 1, 1970. The unmatured bonds are subject to redemption on any interest payment date at a redemption price of par and accrued interest to the date of redemption, plus a redemption premium of 2% of their par value if redeemed on or after June 1, 1970 but prior to June 1, 1976, or a redemption premium of 1% if redeemed on June 1, 1976, or thereafter, but prior to the date of their stated maturities.
8. \$280,000 of an original issue of \$350,000 University of South Carolina Student and Faculty Housing Revenue Bonds, Series of 1962, dated June 1, 1962. The unmatured bonds mature in annual installments as follows: \$15,000 on June 1 in each of the years 1971 to 1977, inclusive; \$25,000 on June 1 in the year 1978; and \$30,000 on June 1 in each of the years 1979 to 1983, inclusive. All bonds bear interest at the rate of 4½% per annum, payable on the 1st days of June and December of each year. Interest on all bonds is paid through December 1, 1970. The unmatured bonds are subject to redemption on any interest payment date at par, plus accrued interest to the date fixed for such redemption.
9. \$1,390,000 of an original issue of \$1,500,000 University of South Carolina Student and Faculty Housing Revenue Bonds, Series of 1968, dated June 1, 1968. The unmatured bonds mature in annual installments as follows: \$55,000 on June 1 in each of the years 1971 and 1972; \$65,000 on June 1 in each of the years 1973 to 1976, inclusive; \$75,000 on June 1 in each of the years 1977 to 1980, inclusive; \$85,000 on June 1 in each of the years 1981 to 1984, inclusive; and \$95,000 on June 1 in each of the years 1985 to 1988, inclusive. All bonds bear interest at the rate of 6% per annum, payable on the 1st days of June and December of each year. Interest on all bonds is paid through December 1, 1970. The unmatured bonds are subject to redemption on any interest payment date, without payment of premium.

A RESOLUTION

SUPPLEMENTING A RESOLUTION ENTITLED "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF STUDENT AND FACULTY HOUSING REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA," ADOPTED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH CAROLINA ON THE 29TH DAY OF MARCH, 1971, BY MAKING PROVISION FOR THE REFUNDING BY EXCHANGE OF THE PREVIOUSLY ISSUED AND NOW OUTSTANDING UNIVERSITY OF SOUTH CAROLINA STUDENT AND FACULTY HOUSING REVENUE BONDS NOW HELD BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA, AS TRUSTEE OF THE FUNDS OF THE SOUTH CAROLINA RETIREMENT SYSTEM.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED:

ARTICLE I

DEFINITIONS

Section 1.01

Certain terms used in this Resolution are defined terms with definitions set forth in Article II of the Resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF STUDENT AND FACULTY HOUSING REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA," adopted by the Board of Trustees of the University of South Carolina on the 29th day of March, 1971, 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 March 29, 1971, the TRUSTEES adopted the STUDENT AND FACULTY HOUSING REVENUE BOND RESOLUTION (the BOND RESOLUTION) as a means of providing for the issuance of: (a) BONDS of the UNIVERSITY whose proceeds are to be

used for financing FACILITIES, (b) BONDS of the UNIVERSITY issued for the purpose of refunding by exchange OUTSTANDING BONDS, and (c) BONDS of the UNIVERSITY issued for the purpose of effecting the refunding of BONDS issued to finance FACILITIES.

2. In and by the BOND RESOLUTION, it is expressly provided that BONDS shall be issued pursuant to a resolution expressed to be supplemental to the BOND RESOLUTION.

3. Of the OUTSTANDING BONDS those listed in the schedule incorporated herein as "EXHIBIT A" are held by the State Budget and Control Board of South Carolina, as Trustee of the funds of the South Carolina Retirement System (the STATE BOARD).

4. The STATE BOARD has indicated its willingness to accept BONDS, in lieu of the OUTSTANDING BONDS that it now holds, with similar maturities and interest rates, but in the form of single fully registered bonds, with redemption provisions as provided herein.

5. On the basis of the foregoing, the TRUSTEES adopt this resolution in order to make provision for the issuance of BONDS which will refund, by means of exchange, the OUTSTANDING BONDS held by the STATE BOARD.

ARTICLE III

ISSUANCE OF BONDS

Section 3.01

Pursuant to the BOND RESOLUTION, as herein supplemented and in order to refund by means of exchange the OUTSTANDING BONDS held by the STATE BOARD, BONDS shall be issued in a principal amount equal to the aggregate principal amount of OUTSTANDING BONDS held by the STATE BOARD.

Section 3.02

Subject to the provisions of Sections 3.03 and 3.04, the BONDS shall consist of as many series as there are series of OUTSTANDING BONDS now held by the STATE BOARD.

Section 3.03

Inasmuch as all of the BONDS of Series of 1954, Second Series of 1954, First Series of 1955, Second Series of 1955, and Series of 1956, bear interest at the rate of three per centum (3%) per annum, a single series of BONDS shall be issued, to be designated "Bonds of Series A," for the purpose of refunding by exchange the OUTSTANDING BONDS of the aforesaid five series.

Section 3.04

Inasmuch as all of the BONDS of the First Series of 1957 and Series of 1959, bear interest at the rate of four per centum (4%) per annum, a single series of BONDS shall be issued, to be designated "Bonds of Series B," for the purpose of refunding by exchange the OUTSTANDING BONDS of the aforesaid two series.

Section 3.05

To effect the exchange of the bonds of the Series of 1962, which bear interest at the rate of four and one-half per centum ($4\frac{1}{2}\%$) per annum, a single series of BONDS shall be issued, to be designated "Bonds of Series C," for the purpose of refunding by exchange the OUTSTANDING BONDS of Series of 1962.

Section 3.06

To effect the exchange of the bonds of the Series of 1968, which bear interest at the rate of six per centum (6%) per annum, a single series of BONDS shall be issued, to be designated "Bonds of Series D," for the purpose of refunding by exchange the OUTSTANDING BONDS of Series of 1968.

Section 3.07

The Bonds of Series A shall be in the principal amount of \$961,000, shall be dated as of December 1, 1970, and, subject to the provisions of Section 3.15 hereof, shall mature in annual installments on June 1 in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1971	\$111,000	1976	\$119,000
1972	111,000	1977	119,000
1973	111,000	1978	69,000
1974	111,000	1979	71,000
1975	116,000	1980	23,000

Section 3.08

Subject to the provisions of Section 3.15, the Bonds of Series A shall bear interest, from their date, at the rate of three per centum (3%) per annum, payable on June 1 and December 1 of each year, commencing June 1, 1971.

Section 3.09

The Bonds of Series B shall be in the principal amount of \$818,000, shall be dated as of December 1, 1970, and, subject to the provisions of Section 3.15 hereof, shall mature in annual installments on June 1 in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1971	\$ 52,000	1978	\$ 68,000
1972	52,000	1979	68,000
1973	58,000	1980	73,000
1974	58,000	1981	73,000
1975	61,000	1982	73,000
1976	61,000	1983	30,000
1977	61,000	1984	30,000

Section 3.10

Subject to the provisions of Section 3.15, the Bonds of Series B shall bear interest, from their date, at the rate of

four per centum (4%) per annum, payable on June 1 and December 1 of each year, commencing June 1, 1971.

Section 3.11

The Bonds of Series C shall be in the principal amount of \$280,000, shall be dated as of December 1, 1970, and, subject to the provisions of Section 3.15 hereof, shall mature in annual installments on June 1 in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1971	\$ 15,000	1978	\$ 30,000
1972	15,000	1979	30,000
1973	15,000	1980	30,000
1974	15,000	1981	30,000
1975	15,000	1982	30,000
1976	15,000	1983	30,000
1977	15,000		

Section 3.12

Subject to the provisions of Section 3.15, the Bonds of Series C shall bear interest, from their date, at the rate of four and one-half per centum ($4\frac{1}{2}\%$) per annum, payable on June 1 and December 1 of each year, commencing June 1, 1971.

Section 3.13

The Bonds of Series D shall be in the principal amount of \$1,390,000, shall be dated as of December 1, 1970, and, subject to the provisions of Section 3.15 hereof, shall mature in annual installments on June 1 in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1971	\$ 55,000	1980	\$ 75,000
1972	55,000	1981	85,000
1973	65,000	1982	85,000
1974	65,000	1983	85,000
1975	65,000	1984	85,000
1976	65,000	1985	95,000
1977	75,000	1986	95,000
1978	75,000	1987	95,000
1979	75,000	1988	95,000

Section 3.14

Subject to the provisions of Section 3.15, the Bonds of Series D shall bear interest, from their date, at the rate of six per centum (6%) per annum, payable on June 1 and December 1 of each year, commencing June 1, 1971.

Section 3.15

If any of the exchanges herein contemplated shall be delayed to a date subsequent to June 1, 1971, and payment of the amounts due on the OUTSTANDING BONDS on June 1, 1971, by way of principal and interest, shall have been made, an appropriate notation shall be made in the Payment Record of each of the fully registered BONDS (which shall, as hereinafter provided, constitute, respectively, the Bonds of Series A, the Bonds of Series B, the Bonds of Series C, and the Bonds of Series D) so as to reflect the fact that the principal and interest payments otherwise due upon the BONDS of such series on June 1, 1971, have been previously paid.

Section 3.16

In lieu of the redemption provisions now applicable to the several series of OUTSTANDING BONDS held by the STATE BOARD, the Bonds of Series A, the Bonds of Series B, the Bonds of Series C, and the Bonds of Series D, shall be subject to redemption or prepayment, at the option of the UNIVERSITY, on December 1, 1971, and all subsequent interest payment dates, in whole or in part, but if in part, in the inverse chronological order of their maturities and in multiples of not less than an entire maturity, at par, plus accrued interest to the date fixed for redemption or prepayment. The redemption provisions shall apply to each Series separately.

Section 3.17

The Bonds of Series A, the Bonds of Series B, the Bonds of Series C, and the Bonds of Series D, shall be issued in the form of single fully registered BONDS, and in substantially the form hereto attached as "EXHIBIT B."

Section 3.18

The Bonds of Series A, the Bonds of Series B, the Bonds of Series C, and the Bonds of Series D, shall be executed in accordance with the terms and provisions of the BOND RESOLUTION, and when executed shall be delivered to the STATE BOARD, upon the surrender by the STATE BOARD to the UNIVERSITY, for cancellation and destruction, all of the OUTSTANDING BONDS for which the Bonds of Series A, the Bonds of Series B, the Bonds of Series C and the Bonds of Series D have been issued.

Section 3.19

The State Treasurer is hereby appointed as PAYING AGENT for all series of BONDS to be issued hereunder.

ARTICLE IV

MISCELLANEOUS

Section 4.01

This resolution is expressly declared to be supplemental to the BOND RESOLUTION.

Section 4.02

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

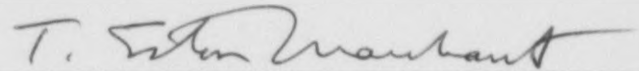
Section 4.03

This resolution has been prepared and is being executed in several counterparts, each of which is an original and all of

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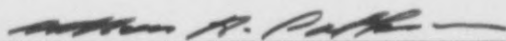
DONE IN MEETING DULY ASSEMBLED this 29th day of March,
A. D. 1971.

SEAL)



Chairman of the Board of Trustees of
the University of South Carolina.

Attest:



Secretary of the Board of Trustees of
the University of South Carolina.

EXHIBIT "A" SHOWING

OUTSTANDING STUDENT AND FACULTY HOUSING REVENUE BONDS OF THE
UNIVERSITY OF SOUTH CAROLINA HELD BY THE STATE BUDGET AND
CONTROL BOARD OF SOUTH CAROLINA, AS TRUSTEE OF THE FUNDS OF
THE SOUTH CAROLINA RETIREMENT SYSTEM -PREPARED AS OF 3-29-71

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at a redemption price of par and accrued interest to the date of redemption, plus a redemption premium of 2% of their par value if redeemed on or after June 1, 1968 but prior to June 1, 1974, or a redemption premium of 1% if redeemed on June 1, 1974, or thereafter, but prior to the date of their stated maturities.

7. \$363,000 of an original issue of \$550,000 University of South Carolina Student and Faculty Housing Revenue Bonds, First Series of 1959, dated June 1, 1958. The unmatured bonds mature in annual installments as follows: \$22,000 on June 1 in each of the years 1971 to 1974, inclusive; \$25,000 on June 1 in each of the years 1975 to 1979, inclusive; and \$30,000 on June 1 in each of the years 1980 to 1984, inclusive. All bonds bear interest at the rate of 4% per annum, payable on the 1st days of June and December of each year. Interest on all bonds is paid through December 1, 1970. The unmatured bonds are subject to redemption on any interest payment date at a redemption price of par and accrued interest to the date of redemption, plus a redemption premium of 2% of their par value if redeemed on or after June 1, 1970 but prior to June 1, 1976, or a redemption premium of 1% if redeemed on June 1, 1976, or thereafter, but prior to the date of their stated maturities.
8. \$280,000 of an original issue of \$350,000 University of South Carolina Student and Faculty Housing Revenue Bonds, Series of 1962, dated June 1, 1962. The unmatured bonds mature in annual installments as follows: \$15,000 on June 1 in each of the years 1971 to 1977, inclusive; \$25,000 on June 1 in the year 1978; and \$30,000 on June 1 in each of the years 1979 to 1983, inclusive. All bonds bear interest at the rate of 4½% per annum, payable on the 1st days of June and December of each year. Interest on all bonds is paid through December 1, 1970. The unmatured bonds are subject to redemption on any interest payment date at par, plus accrued interest to the date fixed for such redemption.
9. \$1,390,000 of an original issue of \$1,500,000 University of South Carolina Student and Faculty Housing Revenue Bonds, Series of 1968, dated June 1, 1968. The unmatured bonds mature in annual installments as follows: \$55,000 on June 1 in each of the years 1971 and 1972; \$65,000 on June 1 in each of the years 1973 to 1976, inclusive; \$75,000 on June 1 in each of the years 1977 to 1980, inclusive; \$85,000 on June 1 in each of the years 1981 to 1984, inclusive; and \$95,000 on June 1 in each of the years 1985 to 1988, inclusive. All bonds bear interest at the rate of 6% per annum, payable on the 1st days of June and December of each year. Interest on all bonds is paid through December 1, 1970. The unmatured bonds are subject to redemption on any interest payment date, without payment of premium.

EXHIBIT "B"

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA

UNIVERSITY OF SOUTH CAROLINA
STUDENT AND FACULTY HOUSING REVENUE BOND
SERIES *

No. R_____

\$

**

The UNIVERSITY OF SOUTH CAROLINA (hereinafter called the "University"), for value received, hereby promises to pay to the STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA, as Trustee of the South Carolina Retirement System, or its registered assigns, the principal sum of

**

DOLLARS

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

* * *

in such coin or currency of the United States of America, which, at the time of payment, shall be legal tender for the payment of public and private debts, and to pay interest on the principal sum, or the balance thereof, from time to time remaining unpaid, in like coin or currency, at the rate of * * * * per centum per annum, payable on June 1 and December 1 of each year, commencing * * * * , until the principal amount hereof has been paid.

Payment of both principal and interest shall be made to the registered holder by the State Treasurer of South Carolina (the Paying Agent) by check or draft. Payments of principal and interest, including prepayments of installments of principal, shall be noted on the Payment Record attached to this Bond, and upon the Bond Register kept in the Office of the State Treasurer.

Upon final payment of principal and interest, this Bond shall be surrendered to the State Treasurer for cancellation and surrender to the University.

THIS BOND is one of an issue of bonds aggregating
 * * DOLLARS (\$), issued as a single fully registered bond pursuant to a Resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF STUDENT AND FACULTY HOUSING REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA," duly adopted by the Board of Trustees of the University of South Carolina (hereinafter called "the Trustees") on March 29, 1971, and a resolution supplementary thereto (the Bond Resolution), under and in full compliance with the Constitution and Statutes of the State of South Carolina, including particularly Act No. 904 of the Acts of the General Assembly of the State of South Carolina for the year 1960, as amended (hereinafter called the "Enabling Act"), to obtain funds to refund by exchange a like principal amount of Student and Faculty Housing Revenue Bonds of the University now outstanding and held by the registered holder hereof.

In addition to the installments of principal required to be paid as hereinabove set forth, the right is reserved to the University to prepay on * * * * * and on all subsequent interest payment dates the entire principal amount hereof then remaining unpaid, or such lesser portion thereof as it may determine upon in inverse chronological order of said installments and in multiples of Five Thousand Dollars, at 101% of the principal amount of such balance, plus accrued interest to the date of prepayment; PROVIDED, HOWEVER, that so long as the registered owner hereof shall be the Payee, the University may prepay on any interest payment date the entire unpaid principal amount hereof, or, from time to time in inverse chronological order of the said

installments, such lesser portion thereof in multiples of Five Thousand Dollars, as the University may determine, at the principal amount thereof, plus accrued interest to the date of such prepayment.

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

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

The bonds of this issue are on a parity in all respects with outstanding bonds of certain other issues of Student and Faculty Housing Revenue Bonds of the University, which outstanding bonds are more fully described in the Bond Resolution.

Both the principal of and interest on the bonds of this issue are payable from: (a) the entire revenues (as the same are defined in the Bond Resolution) derived by the University from all student and faculty housing facilities, and (b) from all loan subsidies (as such term is defined in the Bond Resolution) which the University may hereafter become entitled to, and such revenues are irrevocably pledged to the payment of the principal of and interest on such bonds. Neither the faith and credit of the

State of South Carolina, nor of the Trustees, are pledged to the payment of 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.

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 these bonds are payable in an 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 (1) to pay the principal of and interest on this bond, the issue of which it forms a part, and the principal and interest of all bonds now outstanding or hereafter issued on a parity with the bonds of this issue, as and when the same become due and payable, (2) to provide for the operation and maintenance of such facilities in the manner required by the Bond Resolution; and (3) to enable the University to discharge all obligations assumed by it in the Bond Resolution.

The Trustees have further agreed to cause to be deposited in the Debt Service Fund all moneys which the University will become entitled to from applicable loan subsidies, so that the same may become available for the payment of the Debt Service on the bonds of this issue, the parity bonds, and all other bonds hereafter issued on a parity with the bonds of this issue.

Under authority of the Enabling Act, 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 default in the payment of the principal of or interest on the bonds of this issue, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the said facilities as 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 UNIVERSITY OF SOUTH CAROLINA has caused this Bond to be signed by the Chairman of its Board of Trustees, under its Corporate Seal, attested by the Secretary of its Board of Trustees, and this Bond to be dated as of the 1st day of December, A. D. 1970.

UNIVERSITY OF SOUTH CAROLINA

(SEAL)

BY _____
Chairman of its Board of Trustees

Attest:

Secretary of its Board of Trustees

THIS BOND delivered at Columbia, South Carolina, this
_____ day of _____, 1971.

Secretary of its Board of Trustees.

CERTIFICATE OF STATE TREASURER

THIS BOND is the single fully registered bond, consti-
tuting an issue of * * * Dollars (\$))
Student and Faculty Housing Revenue Bonds, Series *, of the
University of South Carolina.

State Treasurer

FORM OF ASSIGNMENT

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

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

Dated:

- * Insert here designation of appropriate Series.
- ** Insert here principal amount of appropriate Series.
- *** Insert here maturity schedule of appropriate Series.
 (See appropriate Resolution)
- **** Insert here interest rate for appropriate Series.
- ***** Insert here first interest payment date.
- ** Insert here same figure as ** above.
- ***** Insert here first redemption date of appropriate series.

	Series A					
	PAYMENT RECORD					
Due Date	Principal Payment	Principal Balance Due	Interest Payment 3%	Date Paid	Name and Title of Authorized Official of Paying Agent	
	:	:	:	:	:	
	:	:	:	:	:	
June 1, 1971	\$111,000	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
Dec. 1, 1971	:	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
June 1, 1972	\$111,000	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
Dec. 1, 1972	:	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
June 1, 1973	\$111,000	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
Dec. 1, 1973	:	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
June 1, 1974	\$111,000	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
Dec. 1, 1974	:	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
June 1, 1975	\$116,000	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
Dec. 1, 1975	:	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
June 1, 1976	\$119,000	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
Dec. 1, 1976	:	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
June 1, 1977	\$119,000	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
Dec. 1, 1977	:	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
June 1, 1978	\$ 69,000	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
Dec. 1, 1978	:	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
June 1, 1979	\$ 71,000	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
Dec. 1, 1979	:	:	:	:	:	
	:	:	:	:	:	
	:	:	:	:	:	
June 1, 1980	\$ 23,000	:	:	:	:	

Series B

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment 4%	Date Paid	Name and Title of Authorized Official of Paying Agent
June 1, 1971	\$52,000				
Dec. 1, 1971					
June 1, 1972	\$52,000				
Dec. 1, 1972					
June 1, 1973	\$58,000				
Dec. 1, 1973					
June 1, 1974	\$58,000				
Dec. 1, 1974					
June 1, 1975	\$61,000				
Dec. 1, 1975					
June 1, 1976	\$61,000				
Dec. 1, 1976					
June 1, 1977	\$61,000				
Dec. 1, 1977					
June 1, 1978	\$68,000				
Dec. 1, 1978					

PAYMENT RECORD

2128

Series C

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment 4½%	Date Paid	Name and Title of Authorized Official of Paying Agent
	:	:	:	:	:
	:	:	:	:	:
June 1, 1971	\$15,000	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
Dec. 1, 1971	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
June 1, 1972	\$15,000	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
Dec. 1, 1972	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
June 1, 1973	\$15,000	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
Dec. 1, 1973	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
June 1, 1974	\$15,000	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
Dec. 1, 1974	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
June 1, 1975	\$15,000	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
Dec. 1, 1975	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
June 1, 1976	\$15,000	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
Dec. 1, 1976	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
June 1, 1977	\$15,000	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
Dec. 1, 1977	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
June 1, 1978	\$30,000	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
Dec. 1, 1978	:	:	:	:	:

PAYMENT RECORD

2130

Series D

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment 6%	Date Paid	Name and Title of Authorized Official of Paying Agent
June 1, 1971	\$55,000				
Dec. 1, 1971					
June 1, 1972	\$55,000				
Dec. 1, 1972					
June 1, 1973	\$65,000				
Dec. 1, 1973					
June 1, 1974	\$65,000				
Dec. 1, 1974					
June 1, 1975	\$65,000				
Dec. 1, 1975					
June 1, 1976	\$65,000				
Dec. 1, 1976					
June 1, 1977	\$75,000				
Dec. 1, 1977					
June 1, 1978	\$75,000				
Dec. 1, 1978					

Series D

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment 6%	Date Paid	Name and Title of Authorized Official of Paying Agent
June 1, 1979	\$75,000				
Dec. 1, 1979					
June 1, 1980	\$75,000				
Dec. 1, 1980					
June 1, 1981	\$85,000				
Dec. 1, 1981					
June 1, 1982	\$85,000				
Dec. 1, 1982					
June 1, 1983	\$85,000				
Dec. 1, 1983					
June 1, 1984	\$85,000				
Dec. 1, 1984					
June 1, 1985	\$95,000				
Dec. 1, 1985					
June 1, 1986	\$95,000				
Dec. 1, 1986					
June 1, 1987	\$95,000				
Dec. 1, 1987					
June 1, 1988	\$95,000				

CERTIFICATE

I, WILLIAM H. PATTERSON, Secretary of the Board of Trustees of the University of South Carolina, DO HEREBY CERTIFY that pursuant to a notice duly given to every member of the Board of Trustees of the University of South Carolina, of a regular meeting of said Board, to be held at 1:00 P. M., Monday, March 29, 1971, for the purpose of considering and taking action on the foregoing resolution, the following members of said Board were present:

Rutledge L. Osborne
Solomon Blatt, Jr.
James W. Cothran
Edward E. Saleeby
T. Eston Marchant
D. Glenn Yarborough
Daniel S. Henderson
William S. Brockington
R. Markley Dennis
Michael J. Mungo

Hugh L. Willcox
James D. Poag
J. Robert Peters
T. Luke Benson
Cyril B. Busbee, Ex Officio
Member

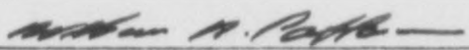
Absent:

Hugh H. Wells
James L. Moss, Jr.
John C. West, Ex Officio Member
J. P. Mozingo III, Ex Officio Member
Harold D. Breazeale, Ex Officio Member

That at said meeting the foregoing resolution, with Exhibits attached thereto, was introduced by James D. Poag, duly seconded by T. Luke Benson, and after discussion, was unanimously adopted by said Board, and the original of said resolution is duly transcribed in the Minute Book of said Board, of which I am custodian.

I DO FURTHER CERTIFY that the information set forth in said Exhibits is in all respects true and correct.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of the Board of Trustees of the University of South Carolina, this 28 day of April, A. D. 1971.


Secretary of the Board of Trustees of
the University of South Carolina.

(SEAL)

E N D