

FOR RECORDS OF THE STATE BUDGET
AND CONTROL BOARD

5/30/68

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A RESOLUTION

APPROVING THE ACTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH CAROLINA IN MAKING PROVISION FOR THE ISSUANCE OF A BOND ANTICIPATION NOTE, IN THE PRINCIPAL AMOUNT OF \$2,000,000, TO BE SUBSTITUTED FOR A NOTE OF THE UNIVERSITY, IN LIKE AMOUNT, MATURING MAY 29, 1968.

WHEREAS, the Board of Trustees of the University of South Carolina (the University) have advised this Board that the University has outstanding a Bond Anticipation Note in the amount of \$2,000,000, maturing May 29, 1968, but due to the unfavorable condition of the bond market it has not been able to sell and deliver the bonds in anticipation of which such Note was issued, and have requested of the State Budget and Control Board (the State Board) approval of their action in making provision for the issuance of a Bond Anticipation Note of the University, in the principal amount of \$2,000,000, bearing interest at the rate of 3.9% per annum, said Note to be issued under the authorization of Act No. 116 of the Acts of 1965 and in anticipation of the issuance of \$3,878,000 of bonds of the University under Act No. 1157 of the Acts of 1966, and to be substituted for a Note in like amount, dated February 29, 1968, payable to State Bank & Trust Company, bearing interest at the rate of 3.1% per annum and maturing May 29, 1968; and

WHEREAS, the State Board did previously, by Resolution adopted the 28th day of February, 1968, approve the issuance of the Bond Anticipation Note, for which the Note now proposed is to be substituted; and

WHEREAS, the State Board is aware of the unfavorable condition of the bond market and agrees that the University would not be wise to offer its bonds for sale at this time; and

WHEREAS, the State Board has been informed that the University has made satisfactory arrangements with State Bank & Trust Company, the holder of the Note maturing May 29, 1968, to accept a new Note in payment thereof, said new Note to bear interest at a slightly higher rate, viz., 3.9% per annum,

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD, IN MEETING DULY ASSEMBLED:

SECTION 1.

The State Board finds:

(1) That the University is duly empowered and proposes to issue bonds of the University, in the aggregate principal amount of \$3,878,000 under the authority of, and for purposes set forth in, Act No. 1157 of the Acts of the General Assembly of the State of South Carolina for the year 1966 (the Bond Act);

(2) That it was necessary, in order to pay costs incurred in certain of the projects authorized by the Bond Act and now under construction, to borrow in anticipation of the issuance of such bonds the sum of \$2,000,000, evidenced by a Note of the University, dated the 29th day of February, 1968, payable to State Bank & Trust Company, Columbia, South Carolina, bearing interest at the rate of 3.1% per annum, and maturing on May 29, 1968;

(3) That the condition of the bond market has remained most unfavorable and that it would not be wise for the University to offer its bonds for sale at this time, thereby making it necessary for the University to refinance said Note; and

(4) That the University has now made arrangements with State Bank & Trust Company to accept in payment of the Note originally issued as above recited, interest thereon to May 29, 1968 and a new Note in the principal amount of \$2,000,000, but bearing interest at a slightly higher rate, viz., 3.9% per annum.

SECTION 2.

The State Board hereby gives its approval to the action taken by the Trustees of the University, evidenced by a resolution adopted by said Trustees on the 1st day of June, 1968, a certified copy of which has been delivered to the State Board, in making provision for the issuance of said Bond Anticipation Note to be dated as of May 29, 1968, bearing interest at the rate of 3.9% per annum and maturing September 26, 1968.

SECTION 3.

The State Board hereby consents that, in the event the bond market does not improve prior to the maturity date of the new Note, the University may, through the Chairman and Secretary of the Board of Trustees of the University, with the written consent of the State Treasurer, make appropriate arrangements for the extension of the maturity date of said Note, without further action on the part of the State Board.

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