

STATE BUDGET AND CONTROL BOARD

Meeting of Wednesday, April 30, 2014 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

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7.	State of South Carolina	Not Exceeding \$76,000,000 Principal Amount of General Obligation State Highway Refunding Bonds, Series 2014, of the State of South Carolina
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STATE BUDGET AND CONTROL BOARD
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BLUE AGENDA INDEX

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1.	State Treasurer's Office	Bond Counsel Selection
2.	Division of General Services	Easements
3.	Budget and Control Board	Elimination of Vacant FTEs
4.	South Carolina Energy Office	Barnwell Economic Development Fund
5.	Executive Director	Revenue Bonds

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

The State Treasurer's Office has provided the following notification of the assignment of bond counsel for conduit issues for which Board approval is requested:

CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$52,000,000 SC JEDA	Porter-Gaud School	Howell, Linkous & Nettles	Parker Poe

BOARD ACTION REQUESTED:

Approve the referenced bond counsel assignment.

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

Items for April 30, 2014 Budget & Control Board Meeting
 Bond Counsel and Issuer Counsel Selections by the State Treasurer's Office are as follows:

CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel	Date STO Approved
\$52,000,000 SC JEDA	Porter-Gaud School	Howell, Linkous & Nettles	Parker Poe	4/9/2014

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

AGENCY: Division of General Services

SUBJECT: Easements

The Division of General Services requests approval of the following easements in accordance with SC Code of Laws:

- (a) County Location: Greenville
From: Budget and Control Board
To: Renewable Water Resources (ReWa)
Consideration: \$700
Description/Purpose: On October 31, 2013, the Board approved a 0.046 acre easement for the construction, installation, operation and maintenance of a pedestrian bridge and aerial crossing of a gravity sewer line over the North Saluda River. ReWa is now requesting a modification of the original easement to exclude the pedestrian bridge from the scope of work for this project.

- (b) County Location: Aiken
From: Budget and Control Board
To: DuPont Landing, LLC
Consideration: \$700
Description/Purpose: To grant a 14.73 feet right-of-way encroachment along DuPont Drive for the placement of driveway radius that extends within the right-of-way frontage of the Department of Disabilities and Special Needs' DuPont I Community Residence. This encroachment is being sought by the developer to comply with SCDOT requirements.

BOARD ACTION REQUESTED:

Approve granting the referenced easements.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 10-1-130

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: April 30, 2014

Blue Agenda

1. Submitted by:

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:


Nolan L. Wiggins, Jr., Director

2. Subject:

EASEMENTS

3. Summary Background Information:

The Division of General Services requests approval of the following easements in accordance with SC Code of Laws:

- (a) County Location: Greenville
From: Budget and Control Board
To: Renewable Water Resources (ReWa)
Consideration: \$700
Description/Purpose: On October 31, 2013, the Board approved a 0.046 acre easement for the construction, installation, operation and maintenance of a pedestrian bridge and aerial crossing of a gravity sewer line over the North Saluda River. ReWa is now requesting a modification of the original easement to exclude the pedestrian bridge from the scope of work for this project.

- (b) County Location: Aiken
From: Budget and Control Board
To: DuPont Landing, LLC
Consideration: \$700
Description/Purpose: To grant a 14.73 feet right-of-way encroachment along DuPont Drive for the placement of driveway radius that extends within the right-of-way frontage of the Department of Disabilities and Special Needs' DuPont I Community Residence. This encroachment is being sought by the developer to comply with SCDOT requirements.

4. What is the Board asked to do? Approve the referenced easements.

5. What is recommendation of the Division of General Services? Recommend approval of the referenced easements.

6. List of Supporting Documents:

1. SC Code of Laws Sections 1-11-80 and 1-11-100
2. Letter from URS dated March 24, 2014

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-80. Board authorized to grant easements for public utilities on vacant State lands.

The State Budget and Control Board is authorized to grant easements and rights of way to any person for construction and maintenance of power lines, pipe lines, water and sewer lines and railroad facilities over, on or under such vacant lands or marshland as are owned by the State, upon payment of the reasonable value thereof.

SECTION 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.

Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the majority of the members of the State Budget and Control Board.



March 24, 2014

Attn: Ms. Linda Gordon
S.C. Budget & Control Board
General Services Division
1201 Main Street, Suite 420
Columbia, S.C. 29201

RE: Bates Road Pump Station Elimination
For Renewable Water Resources
URS Project No. 46422691

Dear Ms. Gordon:

On behalf of Renewable Water Resources (ReWa), URS is pleased to submit a proposed modification to the previously approved SC Budget & Control Board (SCB&CB) Easement No. 939.

Original project designs for which Easement No. 939 was granted included installing a utility bridge across the N. Saluda River in order to support a gravity sewer utility main owned by ReWa, as well as providing pedestrian use across the bridge to be maintained by Greenville Recreation Department (Greenville Rec) as part of the expanding Swamp Rabbit Trail.

Updated project designs now provide that a utility bridge and a pedestrian bridge will be designed, constructed, and maintained separately by ReWa and Greenville Rec, respectively, because of differing project requirements. ReWa intends to move forward with construction of the utility bridge as soon as the existing SCB&CB easement agreement is modified, while Greenville Rec will construct in the future. Before that time, Greenville Rec will approach the SCB&CB separately as necessary for a pedestrian river crossing. In the interim, ReWa and Greenville Rec will continue to coordinate designs to ensure the success of each project, since the bridges will ultimately be installed directly beside and parallel to each other at the river crossing.

It is our understanding that this letter satisfies the requirements of the SCB&CB to be placed on the agenda and considered for approval at the upcoming meeting on April 30, 2014. Please either confirm this to be true or let us know if any additional information is required. Also, please copy George Whatley on any correspondence, as he plans to attend the meeting and continue to act as a project representative on behalf of URS and ReWa.

Very Truly Yours,

URS

Lee H. Brackett, P.E.
Project Engineer

URS Corporation
128 Millport Circle, Suite 100
Greenville, South Carolina 29607
Tel: 864.609.9111
Fax: 864.609.9069
www.urscorp.com

AGENCY: Budget and Control Board

SUBJECT: Elimination of Vacant FTEs

Pursuant to Act 121 of 2014, the Executive Director of the State Budget and Control Board, upon approval of the board, prior to July 1, 2014, is required to eliminate at least sixty vacant FTE's within the board or its divisions, components, or offices prior to the devolvement of specified duties and functions of the board upon the Department of Administration. Before the FTE's can be eliminated, the Executive Director of the board, upon consultation with the Office of the Governor, is to determine how many vacant FTE's at the State Budget and Control Board are to be used to fill needed positions in the Executive Budget Office.

Pursuant to the requirements of Act 121, the Board's Executive Director has consulted with the Office of the Governor and determined the number of vacant FTEs needed to fill positions in the Executive Budget Office. The Executive Director has also reviewed the remaining vacant FTEs currently within the board and developed a list of FTEs that will be recommended for elimination. That list is included with and incorporated into this Agenda Item Worksheet as Exhibit "A".

BOARD ACTION REQUESTED:

Pursuant to Section 2(b) of Act 121, approve the elimination of FTEs within the State Budget and Control Board as set out in Exhibit A of this worksheet.

ATTACHMENTS:

Agenda item worksheet; Exhibit A – List of Vacant FTEs proposed for elimination; Section 2 of Act 121 of 2014

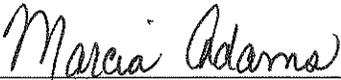
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: **April 29, 2014**

_____ **Agenda**

1. Submitted by:

- (a) Agency: Budget & Control Board
- (b) Authorized Official Signature:



Marcia Adams, Executive Director

2. Subject: Elimination of Vacant FTEs

3. Summary Background Information:

Pursuant to Act 121 of 2014, the Executive Director of the State Budget and Control Board, upon approval of the board, prior to July 1, 2014, is required to eliminate at least sixty vacant FTE's within the board or its divisions, components, or offices prior to the devolvement of specified duties and functions of the board upon the Department of Administration. Before the FTE's can be eliminated, the Executive Director of the board, upon consultation with the Office of the Governor, is to determine how many vacant FTE's at the State Budget and Control Board are to be used to fill needed positions in the Executive Budget Office.

Pursuant to the requirements of Act 121, the Board's Executive Director has consulted with the Office of the Governor and determined the number of vacant FTEs needed to fill positions in the Executive Budget Office. The Executive Director has also reviewed the remaining vacant FTEs currently within the board and developed a list of FTEs that will be recommended for elimination. That list is included with and incorporated into this Agenda Item Worksheet as Exhibit "A".

4. What is Board asked to do?

Pursuant to Section 2(B) of Act 121, approve the elimination of FTEs within the State Budget and Control Board as set out in Exhibit "A" to this worksheet.

5. What is recommendation of Board Division involved? Recommend approval.

6. Recommendation of other Division/Agency (as required)?

- (a) Authorized Signature: _____
- (b) Division/Agency Name: _____

7. List of Supporting Documents:

- (a) Exhibit "A" – list of vacant FTEs proposed for elimination;
- (b) Section 2 of Act 121 of 2014.
- (c)

**Elimination of 60 FTE's Within the South Carolina Budget and Control Board
Pursuant to 2013-14 , Act No. 121
SC Restructuring Act of 2014**

	Recommended FTE Deletion
Office of Executive Director & Administrative Services	6.25
Human Resources Division	4.25
Confederate Relic Room & Military Museum	1.00
Division of General Services	14.00
Insurance Reserve Fund & Second Injury Fund	20.00
Local Government - Loan Operations	2.00
State Information Technology Division	12.50
Grand Total	<hr/> 60.00 <hr/>

Act 121 of 2014
Section 2

SECTION 2. A. Effective July 1, 2015, the State Budget and Control Board, and its related divisions and offices, is abolished and its functions, powers, duties, responsibilities, and authority, except as otherwise provided by law:

(1) related to the issuance of bonds and bonding authority, generally found in Title 11 of the 1976 Code but also contained in certain other provisions of South Carolina law are devolved upon the State Fiscal Accountability Authority;

(2) related to grants, loans, and other forms of financial assistance to other entities, generally found in Title 11 of the 1976 Code but also contained in certain other provisions of South Carolina law, exercised by the former Budget and Control Board are devolved upon the State Fiscal Accountability Authority; and

(3) related to executive functions within the former Budget and Control Board not identified in items (1) or (2) are devolved upon the Department of Administration.

B. After determining how many vacant FTE's at the State Budget and Control Board shall be used to fill needed positions in the Executive Budget Office as provided in Section 1-30-125, to be done in consultation with the Office of the Governor, the Executive Director of the State Budget and Control Board, upon approval of the board, prior to July 1, 2014, shall eliminate at least sixty vacant FTE's within the board or its divisions, components, or offices prior to the devolvement of specified duties and functions of the board upon the Department of Administration as provided in this act (emphasis added).

AGENCY: South Carolina Energy Office

SUBJECT: Barnwell Economic Development Fund

The Barnwell Economic Development Fund (BEDF) was established in July 2000 by §48-46-60(A)(5)(a) with a \$12 million payment as an incentive for South Carolina's membership in the Atlantic Compact Commission. The fund may only be expended for purposes of economic development, which includes, but is not limited to, infrastructure construction/improvement/expansion, industrial recruitment, and public facilities construction/improvement/expansion. Expenditures must be authorized by the Barnwell County governing body and approved by the Budget and Control Board.

On August 13, 2009, the Barnwell County governing body requested and received Budget and Control Board approval to spend \$125,000 to assist in the construction of a Community Resource Center. Construction work for the Resource Center never started; however, Barnwell County did expend \$3,973 for architectural fees.

At the March 11, 2014, Barnwell County Council meeting, the Barnwell County Council voted to use the remaining \$121,027 to assist in building a YMCA program in Barnwell County.

The YMCA program, which will provide an after-school and homework-assistance program, mentoring, job training, health activities, community events, and senior programs, is very similar to the intent of the Community Resource Center previously approved (August 13, 2009, Budget and Control Board minutes).

At the same March 11, 2014, meeting, the Barnwell County governing body also voted to de-obligate \$475,000 from the BEDF that was previously approved by the Budget and Control Board on October 30, 2012, for industrial recruitment and construction as the project never came to fruition. The full \$475,000 is in the process of being transferred back to the State Treasurer's Office.

BOARD ACTION REQUESTED:

Approve the use of the remaining \$121,027 for the Barnwell County Council to assist in building a YMCA program in Barnwell County.

ATTACHMENTS:

Agenda item worksheet; August 13, 2009, B&CB Minutes (pages 7-8); Barnwell County Council Request

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: April 30, 2014

Agenda: Blue

1. Submitted By:

(a) Agency: B&C Bd. – SC Energy Office

(b) Authorized Official Signature: 

2. Subject:

Barnwell Economic Development Fund

3. Summary and Background Information:

Purpose/Description: The Barnwell Economic Development Fund (BEDF) was established in July 2000 by §48-46-60(A)(5)(a) with a \$12 million payment as an incentive for South Carolina's membership in the Atlantic Compact Commission. The fund may only be expended for purposes of economic development, which includes, but is not limited to, infrastructure construction/improvement/expansion, industrial recruitment, and public facilities construction/improvement/expansion. Expenditures must be authorized by the Barnwell County governing body and approved by the Budget and Control Board (B&CB).

On August 13, 2009, the Barnwell County governing body requested and received B&CB approval to spend \$125,000 to assist in the construction of a Community Resource Center. Construction work for the Resource Center never started; however, Barnwell County did expend \$3,973 for architectural fees.

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At the same March 11, 2014 meeting, the Barnwell County governing body also voted to de-obligate \$475,000 from the BEDF that was previously approved by the B&CB on October 30, 2012 for industrial recruitment and construction as the project never came to fruition. The full \$475,000 is in the process of being transferred back to the State Treasurer's Office.

4. What is the Board asked to do?

-Approve the use of the remaining \$121,027 for the Barnwell County Council to assist in building a YMCA program in Barnwell County.

5. What is recommendation of Board Division involved?

-Recommend approving the use of the remaining \$121,027 for the Barnwell County Council to assist in building a YMCA program in Barnwell County.

Proceeds:
Additional Information: On November 14, 2006, the Board approved the sale of the building and the primary site consisting of 0.836 acre for not less than the appraised value. Lander University is seeking approval to dispose of an additional 0.371 acre vacant lot along with the primary site. The two tracts are adjacent to each other.

- (d) **Agency:** **Budget and Control Board**
Acreage: 4.95± acres
Location: 2791 The Boulevard, Columbia Industrial Park
County: Richland
Purpose: To dispose of surplus real property.
Price/Transferred To: Not less than appraised value / To be determined
Additional Information: General Services currently has an offer to purchase the 4.95-acre parcel for \$242,000 which exceeds the current appraised value.

Information relating to this matter has been retained in these files and is identified as Exhibit 4.

Division of Insurance and Grant Services: Expenditure of \$125,000 from Barnwell Economic Development Fund (Blue Agenda Item #5)

The Barnwell Economic Development Fund (BEDF) was established in July 2000 with a \$12 million payment to Barnwell County from Connecticut and New Jersey as an incentive for South Carolina's membership in the Atlantic Compact. The law specifies that the money be used, among other purposes, for industrial recruitment and infrastructure development in Barnwell, Allendale and Bamberg Counties, and the Williston area of Aiken County. This funding request was approved by the Barnwell County Council on April 7, 2009.

In accordance with Section 48-46-60(A)(5)(a) of the South Carolina Code of Laws, the Barnwell County Council requested Board approval of \$125,000 from the BEDF toward construction of a new \$2.5 million community recreation center. \$1.3 million of the funding is from the USDA Community Facilities Grant Program. The 17,000 square foot facility will have a multi-purpose room with stage, computer lab, conference room, kitchenette and a wellness center. The center will provide the area with a meeting place for community events, education programs and job training.

The Board approved disbursement from the Barnwell County Economic Development

Fund of \$125,000 to Barnwell County as partial funding for the new Williston/Elko Community Recreation Center.

Information relating to this matter has been retained in these files and is identified as Exhibit 5.

Office of Human Resources: Appointment of State Employee Grievance Committee Members (Blue Agenda Item #6)

Section 8-17-340 (A) of the S.C. Code of Laws provides that members of the State Employee Grievance Committee be appointed by the Board. The Office of Human Resources recommends the reappointment of the following members for three year terms: Edward Pope, Office of the Governor; and Darold Ratliff, Department of Revenue.

Agencies have submitted nominations, and the Office of Human Resources recommends the appointment of the following new members: Ami Franklin, State Ethics Commission; Michael Jones, Department of Health and Human Services; Florence McCants, Criminal Justice Academy; Gerald Murphy, State Accident Fund; Woodrow Newsom, Employment Security Commission; and Leroy Taylor, Department of Public Safety. Ms. Franklin, Mr. Jones, Ms. McCants, Mr. Murphy, Mr. Newsom, and Mr. Taylor will serve three year terms.

The Board approved the following recommended appointments by the Office of Human Resources to the State Employee Grievance Committee to be effective when training by the Office of Human Resources is completed:

The reappointment of the following members for three year terms: Edward Pope, Office of the Governor; and Darold Ratliff, Department of Revenue; and

The appointment of the following new members: Ami Franklin, State Ethics Commission; Michael Jones, Department of Health and Human Services; Florence McCants, Criminal Justice Academy; Gerald Murphy, State Accident Fund; Woodrow Newsom, Employment Security Commission; and Leroy Taylor, Department of Public Safety. Ms. Franklin, Mr. Jones, Ms. McCants, Mr. Murphy, Mr. Newsom, and Mr. Taylor will serve three year terms.

Information relating to this matter has been retained in these files and is identified as Exhibit 6.



Barnwell County Administration

County Administration Building

57 Wall Street, Room 126

Barnwell, SC 29812

Phone (803) 541-1000

Fax (803) 541-1104

Pickens Williams, Jr.
County Administrator

Kim A. Futrell
Admin. Assistant
Clerk to Council

MAR 20 2014

March 18, 2014

George Kokolis
1200 Senate Street
408 Wade Hampton Bldg.
Columbia, SC 29201

Dear George,

On August 13, 2009 the State Budget and Control Board approved the release of \$125,000 from the Barnwell County Economic Development Fund for use as a portion of the cost to build a proposed Community Resource Center for the Williston/Elko area of Barnwell County. Some of the funds were used for architectural fees to develop sketch plans prior to a petition effort to create a special purpose district that would impose millage to pay for the center. The petition effort did not result in the proposal being placed on the ballot as a referendum. There is \$121,027 remaining in the County Treasurer's Office that is set aside for the Resource Center.

At their March 11, 2014 meeting, Barnwell County Council voted to use the remaining Resource Center funds for a portion of the cost to get a YMCA program started in Barnwell County. The YMCA will offer similar services and benefits for our citizens that the Resource Center would have offered.

Council also voted to de-obligate the \$475,000 that was released from the Economic Development Fund on October 30, 2012 for Project Tissue. It does not appear that Project Tissue will be built. Council will use the \$475,000 that is being held in the Treasurer's Office for use in future economic development projects.

Sincerely,

Pickens Williams Jr.
Barnwell County Administrator

c: Barnwell County Council
Wendy Gibson, County Treasurer
JD Mosteller, County Attorney

AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required reviews on the following proposal to issue revenue bonds have been completed with satisfactory results. The project requires approval under State law.

- a. Issuing Authority: Anderson County
Amount of Issue: \$4,105,000 Special Source Revenue Refunding Bonds
Allocation Needed: -0-
Name of Project: Anderson County Special Source Revenue Bonds, Series 2014
Employment Impact: n/a
Project Description: refunding (i) Anderson County, South Carolina, Special Source Revenue Bonds, Series 2004, dated December 3, 2004, currently outstanding in the principal amount of \$3,475,000; and (ii) Anderson County, South Carolina, Special Source Revenue Bond, Series 2008, dated September 4, 2008, currently outstanding in the principal amount of \$1,320,000
Bond Counsel: April C. Lucas, Nexsen Pruet, LLC
- b. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: \$14,085,000 Student Housing Refunding Revenue Bonds (\$14,085,000 refunding involved) (previously approved \$15,665,000)
Allocation Needed: -0-
Name of Project: FMU Student Housing – Francis Marion University Project
Employment Impact: 7 (maintenance)
Project Description: refunding of all or a portion of the South Carolina Jobs-Economic Development Authority Student Housing Revenue Bonds (FMU Student Housing, LLC – Francis Marion University Project) Series 2004A
Note: *negotiated private sale*
Bond Counsel: F. Mitchell Johnson, Jr., Haynsworth Sinkler Boyd, P. A.
- c. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: N/E \$9,000,000 Economic Development Revenue Bonds (previously approved 12/10/13; Amended Petition and Amended Resolution expands project to include Spartanburg and York Counties)
Allocation Needed: -0-
Name of Project: Homes of Hope, Inc. Project
Employment Impact: maintain 14 jobs, add 2 within 12 months and 5 within 24 months
Project Description: acquire land and construct residential rental housing (single family

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

- homes, duplexes and townhomes) for low-to-moderate income families in various South Carolina Counties
- Bond Counsel: F. Mitchell Johnson, Jr., Haynsworth Sinkler Boyd, P. A.
- d. Issuing Authority: Jobs-Economic Development Authority
- Amount of Issue: \$52,000,000 Tax-Exempt Economic Development Revenue Bonds (\$12,000,000 refunding involved)
- Allocation Needed: -0-
- Name of Project: Porter-Gaud School
- Employment Impact: maintain 250 jobs and create 5 new jobs
- Project Description: to finance or refinance a portion of the costs of acquiring real property and constructing, furnishing, and equipping of a new upper school and fine arts center on the borrower's primary and secondary school campus located in Charleston County, and known as Porter-Gaud School, and the refunding of the Authority's outstanding Economic Development Revenue Bonds, Series 2010.
- Bond Counsel: Samuel W. Howell, IV, Howell Linkous & Nettles, LLC

BOARD ACTION REQUESTED:

Adopt the resolution approving the referenced proposal to issue revenue bonds.

ATTACHMENTS:

Resolutions

Summary of Refinancing Proposal for
Anderson County, SC

PRELIMINARY – SUBJECT TO CHANGE

April 17, 2014

Outstanding bonds proposed to be refinanced	Series 2004 SSRB: \$3,473,494.19 @ 3.59% maturing 4/1/2019	
	Series 2008B SSRB: \$550,000 @ 4.36% maturing 4/1/2018	
Average interest rate of bonds refinanced		3.68%
Projected average interest rate of refinancing bonds		1.41%
True interest cost of refinancing bonds		1.41%
Projected net present value savings (net of costs)		187,307.04
Projected net present value savings as a percentage of the bonds refinanced		4.65%
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)		1.7% / 36%
Underwriting		\$3,000
Legal fees – bond, disclosure and general counsel		TBD
Rating agency fees		\$0
Advisory fees		\$20,000
Bond trustee/registrar		\$0
Accounting and verification		\$0
Credit enhancement/bond insurance		\$0
Publication, printing, contingencies and all other expenses		\$2,500
Total	\$70,000	

Prepared by Tyler Traudt, First Tryon Advisors
Date April 17, 2014

a.

A RESOLUTION APPROVING THE ISSUANCE BY ANDERSON COUNTY, SOUTH CAROLINA OF ITS NOT EXCEEDING \$4,105,000 AGGREGATE PRINCIPAL AMOUNT SPECIAL SOURCE REVENUE REFUNDING BONDS, SERIES 2014, PURSUANT TO THE PROVISIONS OF TITLE 4, CHAPTER 29, OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

WHEREAS, the County Council of Anderson County, South Carolina (the "County Council") has, by submitting a petition (the "Petition") under and pursuant to the provisions of Title 4, Chapter 29 of the South Carolina Code of Laws 1976, as amended (the "Code"), specifically Section 4-29-140 thereof, requested approval by the State Budget and Control Board of the issuance by Anderson County, South Carolina (the "County") pursuant to Section 4-1-175 and Section 4-29-68 of the Code of its Special Source Revenue Refunding Bonds, Series 2014, in an aggregate principal amount of \$4,105,000 (the "Series 2014 Bonds"); and

WHEREAS, the County has entered into certain agreements with various partner counties for the development of joint county industrial and business parks (collectively, the "Parks") pursuant to Section 13 of Article VIII of the Constitution of the State of South Carolina and Section 4-1-170 of the Code in order to implement the public purposes enumerated therein; and

WHEREAS, the County Council has heretofore under and pursuant to the provisions of Title 4, Chapter 29 of the Code, and with the approval of the State Budget and Control Board, issued its Special Source Revenue Bonds, Series 2004, in the aggregate principal amount of \$8,200,000 (the "2004 Bonds") currently outstanding in the principal amount of \$3,475,000; and its Special Source Revenue Bonds, Series 2008, in the aggregate principal amount of \$2,800,000 (the "2008 Bonds," and together with the 2004 Bonds, the "Prior Bonds") currently outstanding in the principal amount of \$1,320,000; and

WHEREAS, the 2004 Bonds were issued for the purpose of (i) refunding the County's \$4,000,000 Special Source Revenue Bond Anticipation Note, 2004, the proceeds of which were used to defray the cost of acquisition and construction of the South Warner Road Extension which connects Marshall Road to SC Highway 24, and the extension of sewer service to the SC Highway 81 corridor between Starr and Iva; (ii) further construction of the Starr-Iva sewer service extension; (iii) construction of Highview Road in the Alliance Industrial Park; (iv) extension of sewer service to the North side of I-85 at Webb Road; (v) construction of Phase I-A and I-B of the Beaverdam Creek sewer service project; and (vi) the financing of any other necessary or incidental matters with respect to the foregoing (collectively, the "2004 Projects"); and

WHEREAS, the 2008 Bonds were issued for the purpose of defraying a portion of the costs of acquisition and construction of one or more of the following projects: (i) water distribution and wastewater collection system improvements near the intersection of Interstate I-85 and Highway 81; (ii) a pump station at intersection of Highway 81 and Highway 86 with a force main along Highway 81 South which ties into an existing force main on Wren School Road; (iii) approximately 5,000 feet of gravity line running from the new Flat Rock Elementary School to a new pump station to be constructed on Airline Road, and force main running northwest from Airline Road to tie into an existing force main on Hayes Road; and (iv) acquisition of a 76.25 acre parcel, a 7 acre parcel and a 9.16 acre parcel of land located near the Anderson Regional Airport (collectively, the "2008 Projects," and together with the 2004 Project, the "Projects;" and

WHEREAS, the County has determined that, under current market conditions, a substantial savings can be effected through the refunding of the Prior Bonds.

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina (the "Board"), as follows:

Section 1. Acceptance of Petition. The Board has undertaken such review as it deems necessary, and on the basis of such review it is hereby found, determined and declared:

(a) The Petition filed by the County contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 44-29-140 the Code; and

(b) The refunding of the Prior Bonds, which is the subject of the Petition of the County, is intended to promote the purposes of the Title 4, Chapter 29 of the Code and it is reasonably anticipated to effect such result.

Section 2. Approval of Proposal. In consequence of the foregoing, the proposal of the County to issue the Series 2014 Bonds to refund the Prior Bonds and to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Series 2014 Bonds in an aggregate principal amount of not exceeding \$4,105,000, secured by a pledge of certain fees-in-lieu of taxes paid on behalf of properties located in the Parks, be and the same is hereby in all respects approved. This approval shall not be affected by changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power.

Section 3. Notice of Board's Action. Notice of action taken by this Board in approving the above-described undertaking shall be published in the *Anderson Independent-Mail*, a newspaper having general circulation in the County.

Section 4. Form of Notice. The Notice required in Section 3 above to be published shall be in substantially the form set forth in Exhibit A to this Resolution.

Section 5. Adoption of Resolution. This Resolution shall take effect immediately.

NOTICE PURSUANT TO THE PROVISIONS
OF TITLE 4, CHAPTER 29, SOUTH CAROLINA
CODE OF LAWS 1976, AS AMENDED

Notice is hereby given, pursuant to the provisions and requirements of Title 4, Chapter 29, South Carolina Code of Laws 1976, as amended, specifically Section 4-29-140 thereof (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition dated March 18, 2014, filed by the County Council of Anderson County, South Carolina, has given its approval to the following undertaking by Anderson County, South Carolina (the "County"):

The issuance by the County of its not exceeding \$4,105,000 principal amount Anderson County, South Carolina, Special Source Revenue Refunding Bonds, Series 2014 (the "Series 2014 Bonds"), to (1) refund (a) the County's outstanding Special Source Revenue Bond, Series 2004, the proceeds of which were used to finance or refinance certain infrastructure serving the economic development of the County; and (b) the County's outstanding Special Source Revenue Bond, Series 2008, the proceeds of which were used to finance or refinance certain infrastructure serving the economic development of the County; and (2) pay costs of issuance of the Series 2014 Bonds. The County has covenanted and dedicated a portion of its fee-in-lieu of tax revenues from properties located within certain joint county industrial and business parks (collectively, the "Parks") to pay the principal of and interest on the Series 2014 Bonds. The Series 2014 Bonds will be payable by the County solely and exclusively out of certain payments-in-lieu of taxes received and retained by the County for the properties located within the Parks.

Notice is further given that any interested party may, within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the issuance of the Series 2014 Bonds by the County to refund the Prior Bonds, by action *de novo*, instituted in the Court of Common Pleas for the County.

STATE BUDGET AND CONTROL BOARD

Summary of Refinancing Proposal

FMU Student Housing, LLC

PRELIMINARY – SUBJECT TO CHANGE

April 7, 2014

Outstanding bonds proposed to be refinanced	South Carolina Jobs-Economic Development Authority Student Housing Revenue Bonds (FMU Student Housing, LLC – Francis Marion University Project) Series 2004A. Refunding candidates:\$13,165,000 of term bonds maturing in 2015, 2026, 2032 and 2034.
Average interest rate of bonds refinanced	4.87%
Projected average interest rate of refinancing bonds	4.80%
True interest cost of refinancing bonds	4.43%
Projected net present value savings (net of costs)	\$211,924
Projected net present value savings as a percentage of the bonds refinanced	1.6%
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	2.0% of refinancing bonds, 123% of refinancing savings (net PV Savings plus costs)
Underwriting	\$130,850
Legal fees – bond, disclosure and general counsel	\$95,000
Feasibility Consultant	\$0
Bond trustee / registrar	\$5,000
Accounting and verification	\$2,500
Publication, printing, contingencies and all other expenses	<u>\$33,900</u>
Total	\$267,250
Taxable Tail	\$100,000
Prepared by:	Raymond James & Associates, Inc.
Date:	April 7, 2014



Summary of Refinancing Proposal

FMU Student Housing, LLC

PRELIMINARY – SUBJECT TO CHANGE

April 7, 2014

Outstanding bonds proposed to be refinanced	South Carolina Jobs-Economic Development Authority Student Housing Revenue Bonds (FMU Student Housing, LLC – Francis Marion University Project) Series 2004A. Refunding candidates: \$5,930,000 of term bonds maturing in 2026.
Average interest rate of bonds refinanced	5.375%
Projected average interest rate of refinancing bonds	4.47%
True interest cost of refinancing bonds	3.61%
Projected net present value savings (net of costs)	\$535,912
Projected net present value savings as a percentage of the bonds refinanced	9.0%
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	2.0% of refinancing bonds, 22% of refinancing savings (net PV Savings plus costs)
Underwriting	\$57,650
Legal fees – bond, disclosure and general counsel	\$65,000
Feasibility Consultant	\$0
Bond trustee / registrar	\$5,000
Accounting and verification	\$2,500
Publication, printing, contingencies and all other expenses	<u>\$9,150</u>
Total	\$139,300
Taxable Tail	\$30,000
Prepared by:	Raymond James & Associates, Inc.
Date:	April 7, 2014



STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

A RESOLUTION

APPROVING THE UNDERTAKING OF THE SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY TO ISSUE NOT EXCEEDING \$14,085,000 SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY STUDENT HOUSING REFUNDING REVENUE BONDS (FMU STUDENT HOUSING, LLC - FRANCIS MARION UNIVERSITY PROJECT) IN ONE OR MORE SERIES (the "**Bonds**") PURSUANT TO TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED (the "**Act**").

WHEREAS, heretofore the South Carolina Jobs - Economic Development Authority (the "**Issuer**"), did, pursuant to the Act, petition the State Budget and Control Board of South Carolina (the "**State Board**") seeking the approval of the State Board for an undertaking by the Issuer pursuant to the Act; and

WHEREAS, the proposed undertaking (the "**Undertaking**") consists of the issuance and delivery of economic development refunding revenue bonds in one or more series and in an aggregate amount not exceeding \$14,085,000 (the "**Bonds**") pursuant to the Act to finance (i) the redemption and refunding of all or a portion of the South Carolina Jobs - Economic Development Authority Student Housing Revenue Bonds (FMU Student Housing, LLC – Francis Marion University Project) Series 2004A (such bonds or such portion, the "**Bonds to be Refunded**") issued to finance (a) the acquisition, construction, furnishing, and equipping of a 235-bed student housing facility (the "**2004 Project**") located on the campus of Francis Marion University (the "**University**") in Florence County, South Carolina (the "**County**") and owned and operated by the FMU Student Housing, LLC (the "**Borrower**"), a South Carolina single member limited liability company whose sole member is the Francis Marion University Real Estate Foundation, a South Carolina non-profit corporation and an organization described in §501(c)(3) of the Internal Revenue Code of 1986, as amended, and (b) the acquisition by the Borrower of a leasehold interest in certain existing student housing facilities (the "**Existing Student Housing Facilities**" and, together with the 2004 Project, the "**Project**") on the campus of, and owned by, the University; (ii) the funding of a debt service reserve fund for the Bonds, and (iii) the payment of the fees and expenses to be incurred in connection with the issuance of the Bonds, all pursuant to a resolution (the "**Bond Resolution**") adopted by the Board of Directors of the Issuer, and to a Second Amended and Restated Trust Indenture (the "**Indenture**") between the Issuer and U.S. Bank National Association (the "**Trustee**"); and

WHEREAS, it is anticipated that the Bonds will be initially sold to Raymond James & Associates, Inc. (the "**Underwriter**") for resale to the public as investment grade obligations; and

WHEREAS, the Issuer proposes to enter into a Second Amended and Restated Loan Agreement (the "**Loan Agreement**") with the Borrower pursuant to which the Issuer will lend the proceeds of the Bonds to the Borrower to finance the costs of the redemption and refunding of the Bonds to be Refunded and issuing and delivering the Bonds; and

WHEREAS, pursuant to the Loan Agreement, the Borrower will agree to pay to the Issuer amounts sufficient to provide for the payment of the Bonds and the costs and expenses resulting from the issuance thereof; and

WHEREAS, the Issuer proposes to enter into the Indenture prescribing the terms and conditions upon which the Bonds will be issued and pledging to the payment of the Bonds the loan repayments to be made by the Borrower pursuant to the Loan Agreement; and

WHEREAS, the Issuer has heretofore determined that:

(a) the Borrower is a responsible party engaged in the business of owning and operating student housing and related facilities in support of the functions of the University, and the Project is located in the County,

(b) the Project constitutes a "business enterprise" as said term is referred to in §41-43-160 of the Act, and the issuance of the Bonds in an aggregate principal amount not to exceed \$14,085,000 to finance

the Undertaking will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(c) the Borrower has demonstrated to the Issuer that the assistance of the Issuer by the issuance of its revenue bonds will result in the maintenance of employment (both direct and indirect) for not less than seven (7) people from the County and surrounding areas, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance herein described bears a reasonable relationship to the amount of program funds committed (*i.e.*, the principal amount of the Bonds) taking into account factors such as the amount of dollars invested per employee at comparable facilities,

(d) the amount of program funds committed (*i.e.*, the principal amount of the Bonds) bears a reasonable relationship to the amount of private funds committed to the Project, and

(e) the size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular is reasonably expected to result from the Project; and

WHEREAS, the Issuer has also determined that prior to the issuance of the Bonds it will find that:

(a) the provisions, terms, and conditions of the agreements to be entered into by the Issuer in connection with the issuance of the Bonds are reasonable and proper, taking into account such factors as the type of program involved, the amount of program funds involved, and the number and type of jobs involved, and

(b) the public interest is adequately protected by the terms of such documents; and

WHEREAS, in order to finance the redemption and refunding of the Bonds to be Refunded, the Issuer proposes to provide for the issuance and delivery of the Bonds pursuant to the Act, to the Bond Resolution and to the Indenture, payable by the Issuer from the amounts derived from the Loan Agreement and secured by the Indenture pursuant to which the Issuer will pledge substantially all of its right, title and interest in and to the Loan Agreement to the Trustee; and

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

1. It has been found and determined by the State Board that the Issuer has filed a proper petition with the State Board in accordance with the provisions of the Act and that it has made the findings required by the Act.

2. On the basis of the foregoing findings, the proposed undertaking of the Issuer to finance the redemption and refunding of the Bonds to be Refunded through the issuance of not exceeding \$14,085,000 of the Issuer's economic development refunding revenue bonds through a negotiated private sale to the Underwriter for resale to the public as investment grade obligations pursuant to the Bond Resolution, to be payable from the revenues to be derived by the Issuer from the Loan Agreement, and to be secured by the Indenture, all pursuant to the Act (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking) be and the same are hereby approved.

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$9,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (HOMES OF HOPE, INC. PROJECT), PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 11, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "*Authority*") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "*Act*"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (Homes of Hope, Inc. Project), in the aggregate principal amount of not exceeding \$9,000,000 (the "*Bonds*"), in one or more series, through private sale which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds of each series will be sold by the Authority through private sale acceptable to the Authority;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Amended Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds, in one or more series, through private sale be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

Summary of Refinancing Proposal for

The Porter Academy d/b/a Porter-Gaud School

PRELIMINARY – SUBJECT TO CHANGE

April 15, 2014

Outstanding bonds proposed to be refinanced	\$20,295,000 Economic Development Revenue Bonds, Series 2010
Average interest rate of bonds refinanced	3.536%
Projected average interest rate of refinancing bonds	3.5%
True interest cost of refinancing bonds	3.5%
Projected net present value savings (net of costs)	No net savings – existing bank placement terminates
Projected net present value savings as a percentage of the bonds refinanced	No net savings – existing bank placement terminates
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	1.25% of refinancing bonds no refinancing savings
Underwriting	[None-bank placement]
Legal fees – bond, disclosure and general counsel	\$60,000
Rating agency fees	[None]
Advisory fees	\$255,000
Bond trustee/registrar	\$5,000
Accounting and verification	[None]
Credit enhancement/bond insurance	[None]
Publication, printing, contingencies and all other expenses	\$20,000
Total	\$340,000

Prepared by Samuel W. Howell, IV

Date April 15, 2014

d,

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH A NEGOTIATED PRIVATE SALE OF NOT EXCEEDING \$52,000,000 AGGREGATE PRINCIPAL AMOUNT TAX-EXEMPT ECONOMIC DEVELOPMENT REVENUE BONDS (PORTER-GAUD SCHOOL PROJECT), PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 of the Code of Laws of South Carolina 1976, as amended (the "Act"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Tax-Exempt Economic Development Revenue Bonds (Porter-Gaud School Project), in the aggregate principal amount of not exceeding \$52,000,000 (the "Bonds") through a negotiated private sale with an institutional lender, which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be sold in a negotiated private sale to a bank or other institutional lender and not sold or distributed in a securities offering, which arrangement is acceptable to the Authority,

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined, and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through a negotiated private sale with a bank or other institutional lender, be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

AGENCY: South Carolina State University

SUBJECT: Interagency Loan Request

South Carolina State University (“University”) has notified the State Budget Division of an impending FY 2013-14 cash deficit of approximately \$13 million. The University indicates that it has an immediate need for additional funds to address this critical cash shortfall. S.C. Code Section 11-9-240 allows the Budget and Control Board, in its discretion, to borrow funds from any department of state government, with the written consent of the department, for the use of the State any surplus which may be on hand in the office of the State Treasurer to the credit of any such department. The Office of the Governor has proposed that the Board consider the attached Resolution as a means to address the University’s impending cash deficit.

BOARD ACTION REQUESTED:

Consider approval of an interagency loan to the University as outlined in the attached resolution prepared by the Office of the Governor. If approved, authorize the Board’s Executive Director to execute an interagency loan agreement on behalf of the Board.

ATTACHMENTS:

S.C. Code Ann. Sections 11-9-230, 11-9-240, 11-9-250, 11-9-260; Proposed Resolution

SECTION 11-9-230. Borrowing money prohibited except by State Budget and Control Board.

It shall be unlawful for any officer or employee or departmental or institutional head, except the State Budget and Control Board, to borrow any money for State purposes.

HISTORY: 1962 Code Section 1-763; 1952 Code Section 1-763; 1942 Code Section 2083; 1932 CodeSection 2083; Civ. C. '22 Section 45; 1921 (32) 114; 1950 (46) 3605.

SECTION 11-9-240. Budget and Control Board may borrow from departments of state government.

For the purpose of facilitating the business of the State and in the interest of economy, the State Budget and Control Board may in its discretion borrow from any department of the state government, with the written consent of such department, for the use of the State any surplus which may be on hand in the office of the State Treasurer to the credit of any such department; provided, however:

(1) That no money shall be borrowed from any department of the state government for the general appropriation act without first obtaining from the Attorney General an opinion holding in effect that the revenues of the State when collected will be sufficient to repay such loan;

(2) That nothing herein shall be construed as authority to confuse or consolidate any of the accounts that are now carried on the books and records in the office of the Comptroller General and State Treasurer and all expenditures shall be charged against the separate accounts as now provided in the office of the Comptroller General and State Treasurer; and

(3) That the authorization contained in this section shall not apply to sinking funds.

HISTORY: 1962 Code Section 1-765; 1952 Code Section 1-765; 1942 Code Section 2203; 1932 CodeSection 2203; 1930 (36) 1343; 1950 (46) 3605.

SECTION 11-9-250. Interest on loans by departments of state government.

If the State Budget and Control Board should exercise the power provided in Section 11-9-240, any such loan shall be negotiated at a rate of interest equivalent to that paid to the State by banks in which such funds are deposited.

HISTORY: 1962 Code Section 1-766; 1952 Code Section 1-766; 1942 Code Section 2203; 1932 CodeSection 2203; 1930 (36) 1343; 1950 (46) 3605.

SECTION 11-9-260. Evidences of loans by departments of state government.

The State Budget and Control Board shall, upon making any loan under Section 11-9-240, execute and deliver call promissory notes or other call evidences of indebtedness to the State Treasurer, which shall draw interest, from date until paid. Such interest shall accrue to the benefit of the department whose money may be used in making such loan to the State. Such call notes or call evidences of indebtedness shall run until the department whose funds have been used shall call for the payment of such notes or evidences of indebtedness, but in no event longer than such period as the board may decide.

HISTORY: 1962 Code Section 1-767; 1952 Code Section 1-767; 1942 Code Section 2203; 1932 CodeSection 2203; 1930 (36) 1343; 1950 (46) 3605.

Resolution of the State Budget and Control Board

South Carolina State University Interagency Loan

S.C. Code Section 11-9-240 allows the Budget and Control Board, in its discretion, to borrow funds from any department of state government, with the written consent of the department, for the use of the State any surplus which may be on hand in the office of the State Treasurer to the credit of any such department.

South Carolina State University ("University") has notified the State Budget Division of an impending FY 2013-14 cash deficit of approximately \$13 million. The University indicates that it has an immediate need for additional funds to address this critical cash shortfall.

By this resolution and pursuant to Section 11-9-240, the Budget and Control Board authorizes a loan of up to \$6 million for the benefit of the University in order to meet that institution's obligations based upon the following prioritization:

1. Debt service and other secured obligations.
2. Payroll and other critical operating expenses.
3. Other accounts payable.

It is the intent of the Budget and Control Board that any and all state South Carolina State University Public Service Activities funds (otherwise known as state "1890 Funds") serve as the source of the loaned funds; the University must make best efforts to obtain the consent of the U.S. Department of Agriculture or other appropriate federal authority to use these funds for this purpose. The University must inform the Director of the State Budget Division of the progress of these discussions on a daily basis. In the event that the University is unable to obtain this determination by May 14, 2014, the loan shall instead be funded using excess state appropriations contained in Section F30, Budget and Control Board, Employee Benefits (See also Proviso 101.22). The loan may be partially funded using resources from each of the aforementioned accounts if the Director of the State Budget Division determines that a portion of 1890 Funds are not constrained by federal grant requirements or other conditions.

Funds shall be authorized for release to the University by the Director of the State Budget Division only after he certifies to the Budget and Control Board that the following policies, financial statements and/or resolutions have been received:

1. The Board of Trustees of the South Carolina State University has furnished a copy of the conflict of interest and anti-nepotism policies that apply to the board members and the University's employees. The Board of Trustees shall adopt an anti-nepotism policy for itself and the University's employees, if none currently exists.
2. The Boards of Trustees of the following entities have provided the Budget and Control Board with copies of any audited financial statements for at least the past three years in addition to summaries of and access to records of any transactions between the entities and any or all of (A) the South Carolina State University, (B) current or former Trustees and employees, or (C) members of the immediate families of current or former Trustees and employees. The governing Board of an identified entity may satisfy this condition by adopting and honoring a resolution pledging that it will cooperate with and provide access to these records to the Budget and Control Board, its staff, and the staff of the Budget and Control Board's individual members.
 - a. South Carolina State University Foundation, Inc.
 - b. South Carolina State University Advancement Foundation, Inc.
 - c. South Carolina State University Real Estate Foundation, Inc.

The Board of Trustees and members of their immediate families shall disclose any and all business relationships that such individuals may have with any entity conducting business with SC State University or any of the entities identified above.

3. The University must certify the existence of or adopt a best-practice accounts receivable system that ensures all payments owed to the University are collected in a prompt manner. In the event payments are overdue or not paid the University shall not delay in using every resource available to recover payment. This includes payment from students and vendors alike.

Policies, financial statements and/or resolutions received by the Director of the State Budget Division pursuant to the above provision shall be reviewed as part of the consulting services contract referenced below.

Funds loaned to the University by virtue of this resolution shall not be used to make payments to any individual vendor until the Division of Procurement Services has confirmed the validity of the underlying contract and the process through which that contract was initially procured and extended or renewed, if applicable. Confirmation by the Division of Procurement Services is not necessary pursuant to this provision for products and services procured under statewide contracts, contracts solicited on behalf of the University by the Budget and Control Board and accounts payable related to small purchases with spending levels of \$2,500 or less.

Until the University has fully repaid this loan, the University shall not post a solicitation for or execute, amend, renew, or otherwise extend a contract without the prior approval of the Division of Procurement Services.

Up to \$500,000 of the funds loaned through this resolution shall be used for consulting services to help the University assess and improve its financial management and various operational, administrative and governance practices, including but not limited to finance and budgeting, information technology, procurement, and real estate and facilities management. The Budget and Control Board shall be considered the client for this engagement; the Division of Procurement Services shall manage the solicitation process. In order to facilitate this procurement, the University shall transfer to the Budget and Control Board the first \$500,000 of the funds released to it so that the Budget and Control Board can timely procure the necessary consulting services. Should the contract for consulting services procured pursuant to this provision cost less than \$500,000, the Budget and Control Board shall return the excess to the Treasurer to be credited to the department whose money was used in making the loan. Notwithstanding any other provision of this resolution, the Budget and Control Board may permit a portion of this \$500,000 to be used for temporary employees to implement recommendations provided by the consultant through June 30, 2015.

At the discretion of the Director of the State Budget Division, funds loaned to the University may be released in installments. No funds shall be released to the University under authority of this resolution after June 30, 2014, although the other provisions of this resolution shall remain in effect.

It is the intent of the Budget and Control Board that the University shall repay this loan in level annual installments ending no later than the close of Fiscal Year 2014-15. The University shall repay the loan with interest at a rate established by the State Treasurer pursuant to Section 11-9-250 (2011). The University may repay the loan in full at any time by paying the outstanding principal and accrued interest.

The University will seek appropriations from the General Assembly to repay this loan. The University will repay this loan in full from any funds appropriated or otherwise available. The University's obligation to repay the loan will be absolute and unconditional and such repayment will not be contingent or conditioned on receipt of any appropriated funds or proceeds from any other source.

A loan agreement among the University, the Budget and Control Board and the department whose money was used in making the loan will be executed prior to any money being released to the University. The loan agreement will incorporate, either expressly or by inference, the provisions of this resolution and any other terms and conditions deemed necessary by the parties.

The Budget and Control Board may immediately call the balance of the loan if it determines that the University is not making good faith efforts to comply with the provisions of this resolution.

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

Budget and Control Board approval is requested for the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

Establish Project for A&E Design

- (a) Summary 6-2014: JBRC Item 1. Clemson University
Project: 9917, Student Activities Center Renovation
Funding Source: \$100,000 Other, Private Gifts funds which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purposes.
Request: Establish project and budget for \$100,000 (Other, Private Gift funds) to begin design work to renovate a 7,000 square foot building known as the Sheep Barn for use as a student activities center. The Sheep Barn is located adjacent to the Hendrix Student Center and is currently being used for material storage. The renovation will include structural improvements as well as upgrades to the mechanical and electric systems, the addition of an HVAC system, and an upgraded fire protection system. The renovated space will include large meeting and lecture rooms, as well as spaces for student activities and academic-related functions. Student activities spaces address specific requests made by students and will include an entertainment stage area, a television viewing area, informal group gathering and indoor recreational areas and food service areas that will provide healthy eating options. The project is needed to make critical structural repairs to the Sheep Barn while at the same time improving student recruitment and retention by providing a safe, on-campus destination for entertainment and student activities.
- (b) Summary 6-2014: JBRC Item 3. Vocational Rehabilitation Department
Project: 9602, Florence VR Center Repaving
Funding Source: \$10,000 Other, WTC Program Income funds which are a portion of the revenues generated by production contracts in the Work Training Center, which provides clients the opportunity to learn work skills.
Request: Establish project and budget for \$10,000 (Other, WTC Program Income funds) to begin design work to repair and resurface the Florence VR Center parking lot and loading area. The facility is over 32 years old and the parking lot and loading areas have deteriorated to the point they are in need of repair and resurfacing. The existing facilities have been patched as much as is economically feasible. Exterior lighting will also be added to the parking lot areas to enhance safety and security in the area. The pre-design amount is in excess of the 1.5% typically allowed under the Phase I policy as deterioration of the parking area requires borings and other subsurface investigations to be conducted prior to resurfacing to adequately estimate the final construction cost.

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SUBJECT: Permanent Improvement Projects

- (c) Summary 6-2014: JBRC Item 4. Vocational Rehabilitation Department
Project: 9603, Sumter VR Center Repaving
Funding Source: \$10,000 Other, WTC Program Income funds which are a portion of the revenues generated by production contracts in the Work Training Center, which provides clients the opportunity to learn work skills.
Request: Establish project and budget for \$10,000 (Other, WTC Program Income funds) to begin design work to repair and resurface the Sumter VR Center parking lot and loading area. The facility is over 38 years old and the parking lot and loading areas have deteriorated to the point they are in need of repair and resurfacing. The existing facilities have been patched as much as is economically feasible. Exterior lighting will also be added to the parking lot areas to enhance safety and security in the area. The pre-design amount is in excess of the 1.5% typically allowed under the Phase I policy as deterioration of the parking area requires borings and other subsurface investigations to be conducted prior to resurfacing to adequately estimate the final construction cost.

Establish Construction Budget

- (d) Summary 6-2014: JBRC Item 5. Clemson University
Project: 9906, Core Campus Development
Funding Source: \$96,000,000 Revenue Bond funds, which are long term debt instruments issued by the State Treasurer's Office in the name of the University and are pledged to be repaid with the net revenues of, in this case, University Housing and Dining Facilities.
Request: Increase budget to \$96,000,000 (add \$96,000,000 Revenue Bond funds, subtract \$1,440,000 Other, Housing Improvement Funds) to construct a mixed use housing and dining facility. The project was established for pre-design in January 2013, which is now complete. The work will include the construction of an approximately 260,000 square foot mixed use housing and dining facility at Clemson. The facility will include approximately 700 beds in the approximately 179,000 square foot residential portion, a dining facility, convenience store, retail restaurant, and administrative support spaces in the approximately 76,000 square foot dining portion, and approximately 5,000 square feet of shared-use academic seminar and meeting space for faculty and students. The facility will replace the Johnstone complex and Harcombe Dining Hall, both built in 1953. Johnstone is worn out, incapable of being renovated to meet the needs and expectations of students and parents, and has rooms that are too small with inadequate infrastructure. Harcombe was created for a different population, does not have efficient layouts, and is not energy efficient. Construction of this facility, in combination with others, will allow for Johnstone, Harcombe and a majority of the Union to be demolished by 2020. The upgrades will be constructed to LEED Silver certification and will include efficiency improvements to energy, water, maintenance and other areas.

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The LEED cost benefit analysis shows a positive cost benefit of \$25,278,401 over 30 years. The agency reports the total projected cost of this project is \$96 million and additional annual operating costs ranging from \$1,100,000 to \$1,161,479 will result in the three years following project completion. The agency reports the projected date for execution of the construction contract is September 2014 and for completion of construction is August 2017. (See Attachment 1 for additional annual operating costs.)

(e) Summary 6-2014: JBRC Item 6. Coastal Carolina University

Project: 9593, Hicks Dining Hall Expansion

Funding Source: \$2,500,000 Other, Auxilliary Services funds, which are food service funds derived from advanced and yearly commissions from the food service contract with Aramark, which are to be used for facility improvements, and from multi-year accumulations of vending revenues, catering commissions and meal plan sales after expenses.

Request: Increase budget to \$2,500,000 (add \$2,462,500 Other, Auxiliary Service funds) to renovate the Hicks Dining Hall at Coastal Carolina. The project was established for pre-design in May 2012, which is now complete. The work will include constructing a 5,728 square foot addition and an outdoor seating area to provide three additional food stations, a beverage station and approximately 175 additional seats. Currently, Hicks Dining Hall is the primary food service facility for approximately 3,650 students. This expansion will add the capacity for an additional 1,270 students. To meet the university's strategic plan to grow to 12,500 students by 2020, the university is currently constructing facilities to add 1,270 beds to university housing. Hicks Dining Hall will provide food service for this additional housing and expansion is needed to meet this growth. The agency reports the total projected cost of the project is \$2,500,000 and additional annual operating costs of \$18,450 will result in the three years following project completion. The agency reports the projected date for execution of the construction contract is November 2014 and for completion of construction is June 2015. (See Attachment 2 for additional annual operating costs.)

(f) Summary 6-2014: JBRC Item 7. University of South Carolina

Project: 6104, Williams-Brice Stadium Plaza Site Upgrades

Funding Source: \$14,500,000 which includes \$11,800,000 Athletic Revenue Bonds, which are long term debt instruments issued by the State Treasurer's Office in the name of the University and are pledged to be repaid with the net revenues of, in this case, athletic revenues, and \$2,700,000 Other, Private Gift funds which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purposes.

Request: Increase budget to \$14,500,000 (add \$14,290,000 - \$11,800,000 Athletic Revenue Bonds and \$2,490,000 Other, Private Gift funds) to renovate the plaza of Williams Brice Stadium and to construct gameday facilities. The project was established for pre-design in October 2013, which is now complete. The

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work will include removing asphalt surfaces in the plaza around the stadium and constructing green spaces, access drives and pedestrian walkways, burying overhead utilities, and installing perimeter sidewalks, fencing and lighting. It will also include demolishing the adjacent 1101 George Rogers Boulevard building and the 1034 Key Road building to construct additional parking and landscaping. Upgrades will allow for further removal of vehicles from the area for pedestrian safety and improved circulation and will complement the Farmers Market site upgrades completed in 2012. Two new structures will be constructed, including an approximately 12,000 square foot building to accommodate a game day store, ticketing operations, event staff check-in and police/security operations as well as a 1,200 square foot restroom facility on the east side of the stadium. The upgrades will be constructed to LEED Silver certification and will include efficiency improvements to energy, water, maintenance and other areas. The LEED cost benefit analysis shows a positive cost benefit of \$137,880 over 30 years. The agency reports the total projected cost of this project is \$14.5 million and additional annual operating costs ranging from \$107,500 to \$117,500 will result in the three years following project completion. The agency reports the projected date for execution of the construction contract is December 2014 and for completion of construction is August 2015. (See Attachment 3 for additional annual operating costs.)

(g) Summary 6-2014: JBRC Item 8. University of South Carolina

Project: 6105, Athletic Village Improvements

Funding Source: \$18,000,000 which includes \$16,000,000 Athletic Revenue Bonds, which are long term debt instruments issued by the State Treasurer's Office in the name of the University and are pledged to be repaid with the net revenues of, in this case, athletic revenues, and \$2,000,000 Other, Private Gift funds which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purposes.

Request: Increase budget to \$18,000,000 (add \$17,737,500 - \$16,000,000 Athletic Revenue Bonds, \$2,000,000 Other, Private Gift funds and subtract \$262,500 Athletic, Operating funds) to make improvements to the track and field venue and construct a new soccer venue. The project was established for pre-design in October 2013, which is now complete. The work will include upgrades to the track and field venues, as well as the construction of a new soccer venue. The work on the track and field venues will include expanding and widening the track, expanding the field events practice area, constructing support features including stadium seating, restrooms, storage and new lights, and converting the existing Field House into an indoor track and field facility. The work on the soccer venue will include constructing a facility for men's and women's soccer beside Stone Stadium to include locker rooms, team lounge areas, meeting rooms, weight room and training area. Track and field upgrades are needed to meet current NCAA standards, to enable running multiple events simultaneously, and to provide a venue for practices and competitions to occur during inclement weather. The new soccer facility is needed to provide

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dedicated facilities for the team adjacent to the stadium. Energy efficiency measures will be installed including energy efficient lighting, low flow toilets and energy efficient HVAC upgrades. The agency reports the total projected cost of this project is \$18,000,000 and additional annual operating costs ranging from \$154,563 to \$198,479 will result in the three years following project completion. The agency reports the projected date for execution of the construction contract is January 2015 and for completion of construction is February 2016. (See Attachment 4 for additional annual operating costs.)

(h) Summary 5-2014: JBRC Item 9. State Board for Technical and Comprehensive Education

Project: 6057, Midlands - Library Building Replacement

Funding Source: \$14,800,000 which includes \$10,300,040 Other, Local County funds, which are those funds the college receives from the service area counties for the operation of the college's physical plant and \$4,499,960 Other, Institutional Capital Project funds, which are funds collected by the college from a \$75 per semester capital fee.

Request: Increase budget to \$14,800,000 (add \$14,638,000 - \$10,138,040 Other, Local funds and \$4,499,960 Other, Institutional Capital Projects Funds) to construct a replacement library on the Beltline campus of Midlands Tech. The project was approved for pre-design in October 2012, which is now complete. The replacement facility will be a three story facility of approximately 41,000 square feet and will include a state-of-the-art library, classrooms, faculty and staff offices, and tutoring labs. The existing 26,912 square foot library is too small, in poor condition, had insufficient study rooms and computer space, and does not meet today's technology needs. An accreditation report and faculty and student surveys have all indicated the existing library is insufficient for the current enrollment level. The facility will be constructed to LEED Silver certification and will include sustainable sites, water efficiency, energy and atmosphere and other efficiency improvements. The LEED cost benefit analysis shows a positive cost benefit of \$782,145 over 30 years. The agency reports the total projected cost of this project is \$14.8 million and annual operating costs ranging from \$50,787 to \$54,931 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2015 and for completion of construction is July 2017. (See Attachment 5 for additional annual operating costs.)

(i) Summary 6-2014: JBRC Item 10. Department of Disabilities and Special Needs

Project: 9874, Statewide Network Infrastructure Telephone System Replacement

Funding Source: \$840,000 Excess Debt Service funds, which are paying patient fees over and above the maximum amount needed to pay current fiscal year debt service requirements on the agency's debt obligations.

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Request: Increase budget to \$840,000 (add \$832,500 Excess Debt Service funds) to upgrade and replace the Department of Disabilities and Special Needs' telephone system and computer network infrastructure. The project was approved for pre-design in December 2013, which is now complete. The work will include replacing the agency network equipment, adding wireless access points in buildings at five regional centers and the central office building, and installing voice over internet protocol telephone systems at four regional centers. The telephone and legacy systems are 25 years old, outdated, and have reached the end of their useful lives and manufacturer support. The updated infrastructure will support real time delivery of electronic health information to direct care and medical staff providing care to consumers and will accommodate and support the electronic medical records system. It will add increased capacity, provide more reliable service, and take advantage of lower telephone rates. The agency reports the total projected cost of this project is \$840,000 and annual operating savings ranging from \$39,862 to \$49,588 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is June 2014 and for completion of construction is December 2015. (See Attachment 6 for additional operating cost savings.)

- (j) Summary 6-2014: JBRC Item 11. Department of Parks, Recreation and Tourism
Project: 9733, Dreher Island State Park Marina Replacement
Funding Source: \$992,112 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$992,112 (add \$977,112 Other, Proviso 49.9 FY 13-14 funds) to replace the existing marina/docks and associate utilities at Dreher Island State Park in Newberry County. The project was established for pre-design in February 2014, which is now complete. The existing 100 slip dock system is 34 years of age and has reached the end of its expected life and will require removal if not replaced. The new dock area will feature 50 larger slips. The current condition has limited PRT's ability to generate revenue and replacement of the facility will improve access to the lake. Dreher Island State Park is located on Lake Murray and is one of the main boat access points on the upper part of the lake. There were 214,948 visitors to the park in FY 2013, and the agency projects net additional annual revenue of \$176,700 from the project. The agency reports the total projected cost of this project is \$992,112 and annual operating costs ranging from \$25,852 to \$28,500 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015. (See Attachment 7 for additional annual operating costs.)

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- (k) Summary 6-2014: JBRC Item 12. Department of Parks, Recreation and Tourism
Project: 9734, Dreher Island Camper Cabin Construction
Funding Source: \$423,851 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$423,851 (add \$416,351 Other, Proviso 49.9 FY 13-14 funds) to construct 10 camper cabins and to renovate an existing restroom at Dreher Island State Park in Newberry County. The project was established for pre-design in February 2014, which is now complete. The scope of the project is to construct 10 one room log cabin kit type structures in an existing camping area and renovate the existing 1000 square foot restroom /shower building. Similar structures constructed at Lake Hartwell State Park in 2005 have been popular and profitable. Dreher Island State Park is located on Lake Murray and is one of the main boat access points on the upper part of the lake. PRT reports that there were approximately 214,948 visitors to the park in FY 2013 and the agency projects net additional annual revenue of \$64,983 from the project. The agency reports the total projected cost of this project is \$423,851 and annual operating costs ranging from \$16,630 to \$18,334 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015. (See Attachment 8 for additional annual operating costs.)
- (l) Summary 6-2014: JBRC Item 13. Department of Parks, Recreation and Tourism
Project: 9735, Lake Wateree Campground Expansion
Funding Source: \$1,101,959 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$1,101,959 (add \$1,086,959 Other, Proviso 49.9 FY 13-14 funds) to expand the campground and associated infrastructure at Lake Wateree State Park Campground in Fairfield County. The project was established for pre-design in February 2014, which is now complete. The scope of this project is to add 50 campsites, a restroom /shower facility, electrical, water, and sewer systems, and roads to support the increase in camp sites. The existing 72 site campground is heavily used with demand significantly exceeding supply during peak demand periods. Lake Wateree State Park had 165,836 visitors during FY 2013 and the agency projects net additional annual revenue of \$115,744 from the project. The agency reports the total projected cost of this project is \$1,101,959 and annual operating costs ranging from \$23,544 to \$25,957 will result in the three years following project completion. The agency also reports

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the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015. (See Attachment 9 for additional annual operating costs.)

- (m) Summary 6-2014: JBRC Item 14. Department of Parks, Recreation and Tourism
Project: 9736, Huntington Beach Campground Expansion
Funding Source: \$1,152,188 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$1,152,188 (add \$1,137,188 Other, Proviso 49.9 FY 13-14 funds) to expand the campground and associated infrastructure at Huntington Beach State Park Campground in Georgetown County. The project was established for pre-design in February 2014, which is now complete. The scope of this project is to add 46 campsites, a restroom /shower facility, electrical, water, and sewer systems, and roads to support the increase in camp sites. The existing 103 site campground is heavily used with demand significantly exceeding supply during peak demand periods. Huntington Beach State Park had 595,703 visitors during FY 2013 and the agency projects net additional annual revenue of \$254,002 from the project. The agency reports the total projected cost of this project is \$1,152,188 and annual operating costs ranging from \$42,519 to \$46,877 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015. (See Attachment 10 for additional annual operating costs.)
- (n) Summary 6-2014: JBRC Item 15. Department of Parks, Recreation and Tourism
Project: 9737, Lake Hartwell Camper Cabin Construction
Funding Source: \$363,342 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$363,342 (add \$355,842 Other, Proviso 49.9 FY 13-14 funds) to construct 10 camper cabins and renovate an existing restroom at Lake Hartwell State Park in Oconee County. The project was established for pre-design in February 2014, which is now complete. The scope of the project is to construct 10 one room log cabin kit type structures in an existing camping area. Similar structures constructed at Lake Hartwell State Park in 2005 have been popular and profitable. PRT reports that there were 62,264 visitors to the park in FY 2013 and the agency projects net additional annual revenue of \$43,011 from the project. The agency reports the total projected cost of this project is \$363,342 and annual operating costs ranging from \$16,630 to \$18,334 will

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result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015. (See Attachment 11 for additional annual operating costs.)

- (o) Summary 6-2014: JBRC Item 16. Department of Parks, Recreation and Tourism
Project: 9738, Hunting Island Campground Improvements
Funding Source: \$1,366,805 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$1,366,805 (add \$1,348,055 Other, Proviso 49.9 FY 13-14 funds) to renovate the campground at Hunting Island State Park in Beaufort County. The project was established for pre-design in February 2014, which is now complete. The scope of the project is to renovate the existing 112 campsite campground along with the associated infrastructure to include restroom/shower facilities, the electrical, water and sewage systems, and roads. The electrical water and sewer systems are 20 years old and the restroom facilities are 30 years old and they have exceeded their expected lives. PRT reports the state park had 1,075,180 visitors in FY 2013 and the agency projects net additional annual revenue of \$127,660 from the project. The agency reports the total projected cost of this project is \$1,366,805 and no additional annual operating costs will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015.
- (p) Summary 6-2014: JBRC Item 17. Department of Parks, Recreation and Tourism
Project: 9739, Santee State Park Campground Improvements
Funding Source: \$573,073 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$573,037 (add \$561,787 Other, Proviso 49.9 FY 13-14 funds) to renovate the campground at Santee State Park in Orangeburg County. The project was established for pre-design in February 2014, which is now complete. The scope of the project is to renovate the existing 50 campsite campground along with the associated infrastructure to include restroom/shower facilities, the electrical, water and sewage systems, and roads. The electrical, water and sewer systems and restroom/shower facilities are 30 years old and have exceeded their expected life. PRT reports the state park had 115,317 visitors in FY 2013 and the agency projects net additional annual

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revenue of \$15,971 from the project. The agency reports the total projected cost of this project is \$573,037 and no additional annual operating costs will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015.

- (q) Summary 6-2014: JBRC Item 18. Department of Parks, Recreation and Tourism
Project: 9740, Table Rock State Park Campground Improvements
Funding Source: \$500,342 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$500,342 (add \$492,842 Other, Proviso 49.9 FY 13-14 funds) to renovate the campground at Table Rock State Park in Pickens County. The project was established for pre-design in February 2014, which is now complete. The scope of the project is to renovate the existing 25 site campground along with the associated infrastructure to include restroom/shower facilities, the electrical, water and sewage systems, and roads. The electrical water and sewer systems are 30 years old and the restroom/shower facility is 40 years old and they have exceeded their expected lives. PRT reports the state park had 308,132 visitors in FY 2013 and the agency projects net additional annual revenue of \$27,215 from the project. The agency reports the total projected cost of this project is \$500,342 and no additional annual operating costs will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015.
- (r) Summary 6-2014: JBRC Item 19. Department of Parks, Recreation and Tourism
Project: 9741, Landrum Welcome Center
Funding Source: \$411,571 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$411,571 (add \$404,071 Other, Proviso 49.9 FY 13-14 funds) to renovate the lobby/gallery portion of the Landrum Welcome Center along I-26 in Spartanburg County. The project was established for pre-design in February 2014, which is now complete. PRT operates the Welcome Center lobby/gallery functions of the SC Department of Transportation rest stops located near the state borders along the interstate/state highway system. This project is to upgrade the approximately 1,416 square lobby/gallery area of the Landrum Welcome Center that is used to provide travelers with an array of

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information on opportunities within the State of SC. The center was last renovated 21 years ago and will include upgrades to flooring, furnishings, displays, brochure racks, electrical and information technology systems, and finishes. This project is considered a demonstration renovation for future implementation at the other Welcome Centers across the state. The agency reports the total projected cost of this project is \$411,571 and no additional annual operating costs will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is June 2015.

Increase Budget

- (s) Summary 6-2014: JBRC Item 20. South Carolina Technical and Comprehensive Education

Project: 6081, Spartanburg - Cherokee Advanced Technology Center Construction
Funding Source: \$5,968,958 which includes \$3,500,000 State Appropriated funds from Proviso 90.20 of FY 2012-13, \$840,000 Other, Lottery FY 2013-14 funds which were appropriated to the college for Industrial Training, \$928,958 Other, College Plant funds which are funds the college receives from the service area counties for the operation of the college's physical plant and \$700,000 Other, College Matching funds which represent a portion of the college's match for the College Plant funds received from area counties.

Request: Increase budget to \$5,968,958.00 (add \$2,468,958 - \$928,958 Other, College Plant, \$840,000 Other, Lottery FY 2013-14 and \$700,000 Other, College Matching Funds) to construct an advanced technology center on the Cherokee Campus of Spartanburg Community College. The project was approved for pre-design in February 2013 with legislatively appropriated funds, which is now complete. The 27,245 square foot facility will house the Center for Advanced manufacturing and Industrial technologies, which will provide various manufacturing programs to support local industries including automated manufacturing technology/robotics, mechatronics technology, machine tool technology, welding technology and other related programs. A 100 space parking lot will be constructed adjacent to the facility. The facility will be constructed to Green Globe 2 Globe certification and will include water efficiency, energy, indoor atmosphere and other efficiency improvements. The LEED cost benefit analysis shows a negative cost benefit of \$253,547 over 30 years. The agency reports the total projected cost of this project is \$5,968,958 and annual operating costs ranging from \$117,090 to \$169,811 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is November 2014 and for completion of construction is July 2015. (See Attachment 12 for additional annual operating costs.)

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- (t) Summary 6-2014: JBRC Item 21. Budget and Control Board
Project: 9912, Rutledge Building Emergency Generator Installation
Funding Source: \$830,838 which includes \$723,945 Other, Depreciation Reserve funds, which are derived from rents changed to agencies, and \$106,893 Other, Department of Education funds which are funds contributed by the Department of Education from their General Fund appropriations to pay for the upgraded generator capacity.
- Request: Increase budget to \$830,838 (add \$106,893 Other, Department of Education funds) to install an emergency generator in the Rutledge Building housing the Department of Education. The project was established in October 2012 for pre-design work and increased for construction in May 2013. The work will include installing a new emergency generator and automatic transfer switches and upgrading the electrical system to provide power from the generator to life safety and other systems. The 50 year-old building would be required to have an emergency generator if built today. The new generator will provide backup power for the fire pump, egress lighting, elevators, fire detection and notification systems, and information technology operations. Its installation will bring this part of the building up to current standards and prevent elevator passengers from being stranded during power outages as happened recently. Energy savings and conservation measures are not applicable to this generator project. The increase will allow the project to also provide back-up power to the Department of Education Data Center, located on the 12th floor of the Rutledge Building and will support increased construction costs, contingency costs and project management fees. The agency reports the total projected cost of this project \$830,838, an increase of \$106,893 from the approved amount of \$723,945, and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is June 2014 and for completion of construction is January 2015.

BOARD ACTION REQUESTED:

Approve permanent improvement project establishment requests and budget revisions. All items have been reviewed favorably by the Joint Bond Review Committee.

ATTACHMENTS:

Attachments

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY CODE: H12 NAME: Clemson University

2. PROJECT #: 9906 NAME: Core Campus Development

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4. **TOTAL ADDITIONAL OPERATING COSTS/SAVINGS**
Projected Financing Sources

(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2017-2018			\$1,100,000.00	\$1,100,000.00
2) 2018-2019			\$1,136,450.00	\$1,136,450.00
3) 2019-2020			\$1,161,479.00	\$1,161,479.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.)

Student Housing, Dining Services and Retail Rental Space will fund operating costs.

6. Will the additional costs be absorbed into your existing budget? Yes No
If no, how will the additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities</u>	<u>\$590,000.00</u>
2. <u>Building and Grounds Maintenance</u>	<u>\$510,000.00</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$1,100,000.00</u>

8. If personal services or costs are reported in section 7 above, please indicate the number of additional positions required or positions saved. 7

9. Submitted By: *John McEntire* 3/14/14
Signature of Authorized Official and Title Date
John McEntire, Director Capital Projects

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H17 Name Coastal Carolina University

2. PROJECT
Project # 9593 Name Hicks Dining Hall Addition

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2014/2015	\$	\$	\$18,450	\$18,450
2) 2015/2016	\$	\$	\$18,450	\$18,450
3) 2016/2017	\$	\$	\$18,450	\$18,450

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

Expenses are related to general maintenance and campus operations. Operation and maintenance funds are provided by student tuition in our general operating budget. No increase will result due to these expenses.

6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities</u>	<u>\$15,075.00</u>
2. <u>Supplies</u>	<u>\$3,375.00</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$18,450.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: Stacie Bowie Date 2/13/2014
Stacie Bowie, CFO & VP for Finance & Administration

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H27 Name USC Columbia

2. PROJECT
Project # 6104 Name Williams-Brice Stadium Plaza Site Upgrades

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS

SAVINGS

NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2015/16	\$	\$	\$117,500	\$117,500.00
2) 2016/17	\$	\$	\$107,500	\$107,500.00
3) 2017/18	\$	\$	\$107,500	\$107,500.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

Athletic Operating Funds

6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Maintenance</u>	<u>\$34,500.00</u>
2. <u>Landscaping</u>	<u>\$53,000.00</u>
3. <u>Utilities</u>	<u>\$15,000.00</u>
4. <u>Administration</u>	<u>\$5,000.00</u>
5. <u>One time start up equipment</u>	<u>\$10,000.00</u>
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$117,500.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 2.5

9. Submitted By:  Director, Planning and Programming 3/14/14
Signature of Authorized Official and Title Date

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H27 Name USC Columbia

2. PROJECT
Project # 6015 Name Athletic Village Improvements

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2015/16 Partial Year	\$	\$	\$ 154,563.00	\$ 154,563.00
2) 2016/17	\$	\$	\$ 198,479.00	\$ 198,479.00
3) 2017/18	\$	\$	\$ 198,479.00	\$ 198,479.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

Athletic Operating Funds

6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Custodial</u>	<u>\$19,660.00</u>
2. <u>Maintenance</u>	<u>\$19,445.00</u>
3. <u>Landscaping</u>	<u>\$59,000.00</u>
4. <u>Waste Management</u>	<u>\$859.00</u>
5. <u>Utilities</u>	<u>\$32,205.00</u>
6. <u>Administration</u>	<u>\$4,294.00</u>
7. <u>One time start up equipment</u>	<u>\$19,100.00</u>
8. _____	_____
TOTAL	<u>\$154,563.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 3.5

9. Submitted By:  Director, Planning and Programming 3/14/14
Signature of Authorized Official and Title Date

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H59 Name Midlands Technical College

2. PROJECT
Project # 6057 Name Midlands - Library Building Replacement

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2016-17	\$	\$	\$50,787	\$ 50,787
2) 2017-18	\$	\$	\$52,818	\$ 52,818
3) 2018-19	\$	\$	\$54,931	\$ 54,931

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

Local County funds.

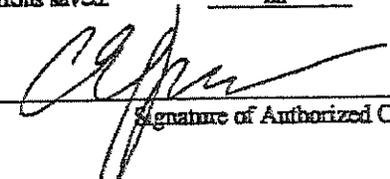
6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

Costs will be paid by Local County Funds within the Operations budget.

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities \$2.60/SF</u>	<u>\$28,512</u>
2. <u>Maintenance \$1.26/SF</u>	<u>\$13,900</u>
3. <u>Custodial \$0.63/SF</u>	<u>\$6,950</u>
4. <u>Insurance: Bldgs & Contents \$0.13/SF</u>	<u>\$1,425</u>
5. _____	_____
6. <u>(represents cost due to an additional floor)</u>	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$50,787</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. na

9. Submitted By:  Director of Operations 2/05/14
Signature of Authorized Official and Title Date

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code P28 Name South Carolina Department of Parks, Recreation and Tourism

2. PROJECT
Project # 9734 Name Dreher Island Camper Cabin Construction

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
2014	\$ 0	\$ 0	\$ 16,630	\$ 0
2015	\$ 0	\$ 0	\$ 17,462	\$ 0
2016	\$ 0	\$ 0	\$ 18,334	\$ 0

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.). Additional revenue generated from this facility

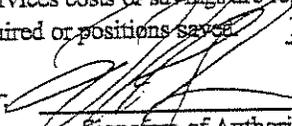
6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

additional revenue will offset additional costs

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Repairs / maintenance/cleaning</u>	<u>\$15,830</u>
2. <u>Utilities</u>	<u>\$540</u>
3. <u>Insurance</u>	<u>\$260</u>
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$16,630</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. N/A

9. Submitted By:  3/12/2014
Signature of Authorized Official and Title Date
David R. Simms, P.E., Chief of Engineering & Construction

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code P28 Name South Carolina Department of Parks, Recreation and Tourism

2. PROJECT
Project # 9735 Name Lake Wateree Campground Expansion

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
2014	\$ \$0	\$ \$0	\$ \$23,544	\$ \$0
2015	\$ \$0	\$ \$0	\$ \$24,721	\$ \$0
2016	\$ \$0	\$ \$0	\$ \$25,957	\$ \$0

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.). Additional revenue generated from this facility

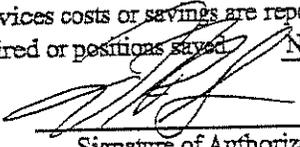
6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

additional revenue will offset additional costs

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Repairs / maintenance/cleaning</u>	<u>\$1,806</u>
2. <u>Utilities</u>	<u>\$21,738</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$23,544</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved N/A

9. Submitted By:  3/12/2014
Signature of Authorized Official and Title Date
David R. Simms, P.E., Chief of Engineering & Construction

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code P28 Name South Carolina Department of Parks, Recreation and Tourism

2. PROJECT
Project # 9736 Name Huntington Beach Campground Expansion

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
2014	\$ \$0	\$ \$0	\$ \$42,519	\$ \$0
2015	\$ \$0	\$ \$0	\$ \$44,644	\$ \$0
2016	\$ \$0	\$ \$0	\$ \$46,877	\$ \$0

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.). Additional revenue generated from this facility

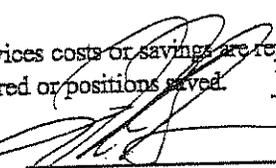
6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

additional revenue will offset additional costs

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Repairs / maintenance/cleaning</u>	<u>\$2,430</u>
2. <u>Utilities</u>	<u>\$40,089</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$42,519</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. N/A

9. Submitted By:  3/12/2014
Signature of Authorized Official and Title Date
David R. Simms, P.E., Chief of Engineering & Construction

ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY
 Code P28 Name South Carolina Department of Parks, Recreation and Tourism

2. PROJECT
 Project # 9737 Name Lake Hartwell Camper Cabin Construction

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
2014	\$ \$0	\$ \$0	\$ \$16,630	\$ \$0
2015	\$ \$0	\$ \$0	\$ \$17,462	\$ \$0
2016	\$ \$0	\$ \$0	\$ \$18,334	\$ \$0

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.). Additional revenue generated from this facility

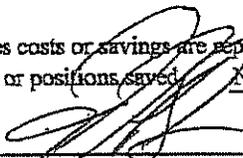
6. Will the additional costs be absorbed into your existing budget? YES NO
 If no, how will additional funds be provided?

additional revenue will offset additional costs

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Repairs / maintenance/cleaning</u>	<u>\$15,830</u>
2. <u>Utilities</u>	<u>\$540</u>
3. <u>Insurance</u>	<u>\$260</u>
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$16,630</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. N/A

9. Submitted By:  1/14/2014
 Signature of Authorized Official and Title Date
 David R. Simms, P.E., Chief of Engineering & Construction

ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY
 Code H59 Name Spartanburg Community College

2. PROJECT
 Project # 6081 Name Spartanburg-Cherokee Advanced Tech Ctr-Construction

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2015-16	\$117,090	\$	\$	\$117,090
2) 2016-17	\$160,535	\$	\$	\$160,535
3) 2017-18	\$169,811	\$	\$	\$169,811

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget? YES NO
 If no, how will additional funds be provided?

Additional operational costs associated with this building will be requested to be funded by Cherokee County.

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Classified Temporary w/benefits</u>	<u>\$21,240</u>
2. <u>Utilities</u>	<u>\$40,000</u>
3. <u>Telephone</u>	<u>\$12,000</u>
4. <u>Maintenance Supplies</u>	<u>\$10,000</u>
5. <u>Misc Services</u>	<u>\$25,000</u>
6. <u>Supplies & Mileage Expenses</u>	<u>\$8,850</u>
7. _____	_____
8. _____	_____
TOTAL	<u>\$117,090</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 1

9. Submitted By: Ray Aivitz VPBA March 12, 2014
 Signature of Authorized Official and Title Date

Permanent Improvement Project Information for April 30, 2014 B&CB Meeting

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CPIP	Total Projected Project Cost
H12-9917	Clemson University - Student Activities Center Renovation	\$100,000 for pre-design	4/30/14	\$100,000	4/30/14	No	To Be Determined
H73-9602	Vocational Rehabilitation Department - Florence VR Center Repaving	\$10,000 for pre-design	4/30/14	\$10,000	4/30/14	No	To Be Determined
H73-9603	Vocational Rehabilitation Department - Sumter VR Center Repaving	\$10,000 for pre-design	4/30/14	\$10,000	4/30/14	No	To Be Determined
H12-9906	Clemson University - Core Campus Development	\$1,440,000 for pre-design	1/29/13	\$1,440,000	1/29/13	Yes	\$96,000,000
H17-9593	Coastal Carolina University - Hicks Dining Hall Expansion	\$37,500 for pre-design	5/9/12	\$37,500	5/9/12	Yes	\$2,500,000
H27-6104	University of South Carolina - Williams-Brice Stadium Plaza Site Upgrades	\$210,000 for pre-design	10/31/13	\$210,000	10/31/13	Yes	\$14,500,000
H27-6105	University of South Carolina - Athletic Village Improvements	\$262,500 for pre-design	10/31/13	\$262,500	10/31/13	Yes	\$18,000,000
H59-6057	Midlands Tech - Library Building Replacement	\$162,000 for pre-design	10/30/12	\$162,000	10/30/12	Yes	\$14,800,000
J16-9874	Disabilities and Special Needs - Statewide Network Infrastructure Telephone System Replacement	\$7,500 for pre- design	12/10/13	\$7,500 for pre- design	12/10/13	No	\$840,000
P28-9733	Department of Parks, Recreation and Tourism - Dreher Island State Park Marina Replacement	\$15,000 pre-design	2/26/14	\$15,000 pre-design	2/26/14	No	\$992,112

Permanent Improvement Project Information for April 30, 2014 B&CB Meeting

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CIP	Total Projected Project Cost
P28-9734	Department of Parks, Recreation and Tourism - Dreher Island Camper Cabin Construction	\$7,500 pre-design	2/26/14	\$7,500 pre-design	2/26/14	No	\$423,851
P28-9735	Department of Parks, Recreation and Tourism - Lake Wateree Campground Expansion	\$15,000 pre-design	2/26/14	\$15,000 pre-design	2/26/14	No	\$1,101,959
P28-9736	Department of Parks, Recreation and Tourism - Huntington Beach Campground Expansion	\$15,000 pre-design	2/26/14	\$15,000 pre-design	2/26/14	No	\$1,152,188
P28-9737	Department of Parks, Recreation and Tourism - Lake Hartwell Camper Cabin Construction	\$7,500 pre-design	2/26/14	\$7,500 pre-design	2/26/14	No	\$363,342
P28-9738	Department of Parks, Recreation and Tourism - Hunting Island Campground Improvements	\$18,750 pre-design	2/26/14	\$18,750 pre-design	2/26/14	No	\$1,366,805
P28-9739	Department of Parks, Recreation and Tourism - Santee State Park Campground Improvements	\$11,250 pre-design	2/26/14	\$11,250 pre-design	2/26/14	No	\$573,037
P28-9740	Department of Parks, Recreation and Tourism - Table Rock State Park Campground Improvements	\$7,500 pre-design	2/26/14	\$7,500 pre-design	2/26/14	No	\$500,342
P28-9741	Department of Parks, Recreation and Tourism - Landrum Welcome Center	\$7,500 pre-design	2/26/14	\$7,500 pre-design	2/26/14	No	\$411,571
H159-6081	Spartanburg - Cherokee Advanced Technology Center Construction	\$3,500,000	2/19/13	\$3,500,000 appropriation	2/19/13	No	\$5,968,958
F03-9912	Budget and Control Board - Rutledge Building Emergency Generator Installation	\$723,945	5/8/13	\$5,900	10/30/12	No	\$830,838

AGENCY: Division of State Budget

SUBJECT: Real Property Acquisitions

The Division of State Budget recommends approval of the following real property acquisitions:

- (a) Agency: **Department of Natural Resources**
Acreage: 1,304 ± Acres of undeveloped land
Location: North of the Waccamaw River and south of County Road 905 off Waccamaw Lane in Longs, SC.
County: Horry
Purpose: To protect upland wildlife habitat and wetland areas adjoining the Waccamaw River Heritage Preserve
Appraised Value: N/A
Price/Seller: Donation/American Timberlands Company
Source of Funds: N/A
Project Number: P24-9938
Environmental Study: Approved
Building Condition: N/A
Assessment:
Additional Annual Op: No change
Cost/SOF:
Current Year Property Tax: \$1,551
Approved By: JBRC 4/8/2014
- (b) Agency: **Department of Transportation**
Acreage: 33.6
Location: 2668 Two Notch Road
County: Lexington
Purpose: Future Lexington County Maintenance Complex
Appraised Value: \$1,615,000
Price/Seller: \$1,400,000 from Janda F. Fulmer and Julia S. Frahn
Source of Funds: State Highway Fund
Project Number: U12-9723
Environmental Study: Approved
Building Condition: N/A
Assessment:
Additional Annual Op: No change
Cost/SOF:
Current Year Property Tax: \$4,873.21
Approved By: JBRC 4/8/2014

BOARD ACTION REQUESTED:

Approve the real property acquisitions as requested.

ATTACHMENTS: Agenda item worksheet and attachments

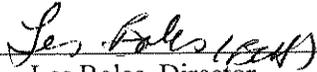
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: April 30, 2014

Regular Agenda

1. Submitted by:

- (a) Agency: State Budget Division
(b) Authorized Official Signature:


Les Boles, Director

2. Subject:

REAL PROPERTY ACQUISITIONS

3. Summary Background Information:

- (a) Agency: **Department of Natural Resources**
Acreage: 1,304 ± Acres of undeveloped land
Location: North of the Waccamaw River and south of County Road 905 off Waccamaw Lane in Longs, SC.
County: Horry
Purpose: To protect upland wildlife habitat and wetland areas adjoining the Waccamaw River Heritage Preserve
Appraised Value: N/A
Price/Seller: Donation/American Timberlands Company
Source of Funds: N/A
Project Number: P24-9938
Environmental Study: Approved
Building Condition Assessment: N/A
Additional Annual Op Cost/SOF: No change
Current Year Property Tax: \$1,551
Approved By: JBRC 4/8/2014
- (b) Agency: **Department of Transportation**
Acreage: 33.6
Location: 2668 Two Notch Road
County: Lexington
Purpose: Future Lexington County Maintenance Complex
Appraised Value: \$1,615,000
Price/Seller: \$1,400,000 from Janda F. Fulmer and Julia S. Frahn
Source of Funds: State Highway Fund
Project Number: U12-9723
Environmental Study: Approved
Building Condition Assessment: N/A
Additional Annual Op Cost/SOF: No change
Current Year Property Tax: \$4,873.21
Approved By: JBRC 4/8/2014

4. What is Board asked to do?

Approve the property acquisitions as requested.

5. What is recommendation of Board Division involved?

Recommend approval of the property acquisitions requested.

6. Recommendation of other Division/Agency (as required)?

- (a) Authorized Signature: _____
 - (b) Division/Agency Name: _____
-

7. List of Supporting Documents:

- 1. Code Section 1-11-65
 - (a) Department of Natural Resources – P24-9938
 - (b) Department of Transportation – U12-9723

**(a) Department of Natural Resources
Horry County
P24-9938**

1. Letter from Agency
2. Appraisal Results
3. Environmental Results
4. Map
5. Cost Implications

South Carolina Department of
Natural Resources



DNR

Alvin A. Taylor
Director

December 5, 2013

Carol Routh and
Charles Shawver
Office of State Budget
1201 Main Street
Columbia, SC 29201

RE: Horry - Waccamaw Heritage Preserve Property Donation

Dear Carol and Charles:

Please accept this letter as a request for State Budget and Control Board approval to acquire +/- 1,304 acres of land in Horry County, which is being donated to the Department of Natural Resources by Carter Stilly, SC, LLC. The property contains both upland and wetland areas and adjoins the Waccamaw River Heritage Preserve. The 5,347 acre Waccamaw River Heritage Preserve was established to protect a large, relatively unbroken riverine bottomland hardwood ecosystem that contains several rare plant species. The preserve also serves as an important travel corridor for black bear and buffers an excellent example of a black water river.

Sincerely,

Scott Speares

Assistant Deputy Director - Outreach & Support Services



October 15, 2013

Mr. Tom Rowland
American Timberlands Company
98 Centermarsh Lane
Pawleys Island, SC 29585

Subject: Report of Phase I Environmental Site Assessment (AAI-Compliant)
Carter Stilley Mitigation Bank (1,304 Acre Portion of TMS #115-00-01-043)
Waccamaw Lane
Horry County, South Carolina
Tidewater Project No. J11-0016-ATL

To Whom It May Concern:

Tidewater Environmental Services, Inc. appreciates the opportunity to submit this Report of Phase I Environmental Site Assessment (ESA) for the above referenced site. The Phase I ESA was completed in accordance with the American Society for Testing and Materials (ASTM) *Standard Guide for Environmental Site Assessments: Phase I Environmental Site Assessment Process E 1527-05*. The report and associated inquiry procedures meet the objectives and performance factors established by the Standards and Practices for All Appropriate Inquiries (AAI), Final Rule published in 40 CFR Part 312.

This report presents project information, which includes survey procedures and limitations, along with our findings, conclusions and recommendations. We appreciate your selection of Tidewater for this project and would value the opportunity to be of continued service when a future need arises. If you have any questions, please do not hesitate to contact us.

Sincerely,

James N. "Jay" Pease, IV, REM #10923
Registered Environmental Manager

Ross Nelson
President, Tidewater Environmental Services

EXECUTIVE SUMMARY

PROPERTY NAME: Carter Stilly Mitigation Bank (Approximately 1,304 Acres)

LOCATION: Waccamaw Lane, Horry County, South Carolina

This executive summary is provided for convenience and should not substitute for review of the complete report, including all attachments. Based on the data collected during the assessment, our findings and conclusions are summarized as follows:

Environmental Conditions	Acceptable	Further Research	Sampling and Testing
Site Regulatory Status	Yes	Not Recommended	Not Recommended
Off-Site Listed Facilities	Yes	Not Recommended	Not Recommended
Site Use History	Yes	Not Recommended	Not Recommended
Present Site Use	Yes	Not Recommended	Not Recommended
Surrounding Land Use	Yes	Not Recommended	Not Recommended

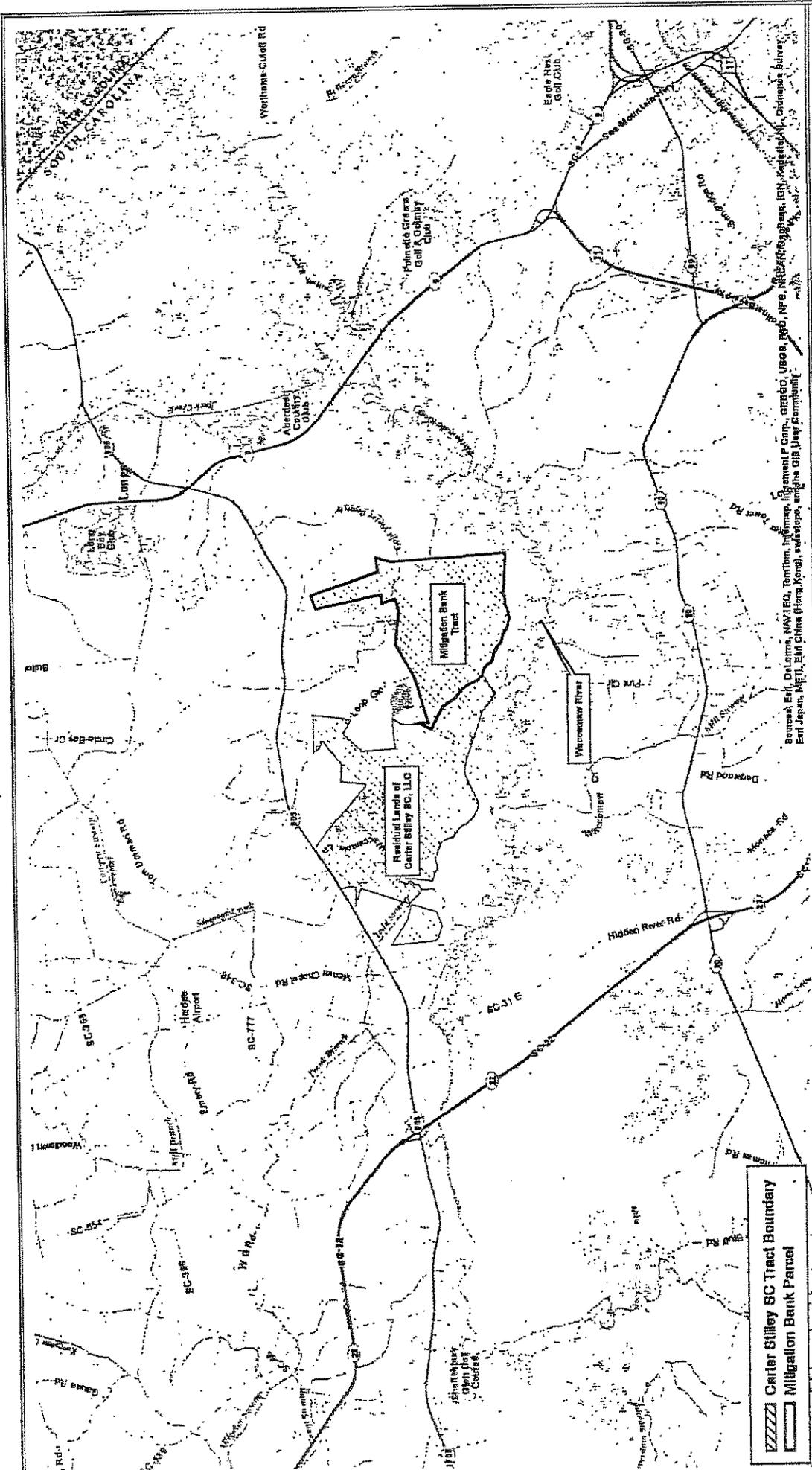
The project site is located in Horry County, South Carolina approximately five miles east of the intersection of State Highways 22 and 905. The project site comprises an approximate 1,304 acre portion of a larger parent parcel of land defined by Horry County tax parcel number 115-00-01-043. The project site is characterized by densely wooded and undeveloped land. No structural improvements are located on the project site. The project site is traversed by several unimproved access roads. Much of the property is shaded as wetlands on the area topographic map. Formal permitting is in progress to establish a wetlands mitigation and stream restoration bank on the project site. Property surrounding the project site consists predominantly of undeveloped, wooded lands that comprise portions of the parent parcel and the SCDNR Waccamaw River Heritage Preserve. Portions of the Waccamaw River are located further to the south and sparse residential development is located further north along Pireway Road, Freemont Road, West Bear Road and other area secondary roads.

The project site was not listed on the environmental regulatory databases reviewed for this assessment. Our review of historical data suggests the project site has consistently been comprised of wooded land since at least the late 1940s. The project site was formerly owned and managed for timber harvesting by International Paper, primarily from the early 1970s through the mid 2000s.

International Paper's timber management practices included the use of select herbicides such as Belpar, Oust, and Arsenal. Tidewater has no reason to suspect that any previous application of herbicide products was performed contrary to labeling requirements or specified application rates. Similar timber management activities have continued under the supervision of American Timberlands Company since the property was acquired by Carter Stillely SC, LLC in 2008. The project site has also been leased to private hunt clubs for recreational and seasonal hunting. There are no indications that the present or past uses of the project site have created recognized environmental conditions in relation to the site or surrounding properties.

No off-site facilities were identified on the regulatory lists within the established search radii from the project site. Conclusions from the off-site reconnaissance of neighboring properties also indicate that the current condition of surrounding property does not represent an environmental concern to the project site.

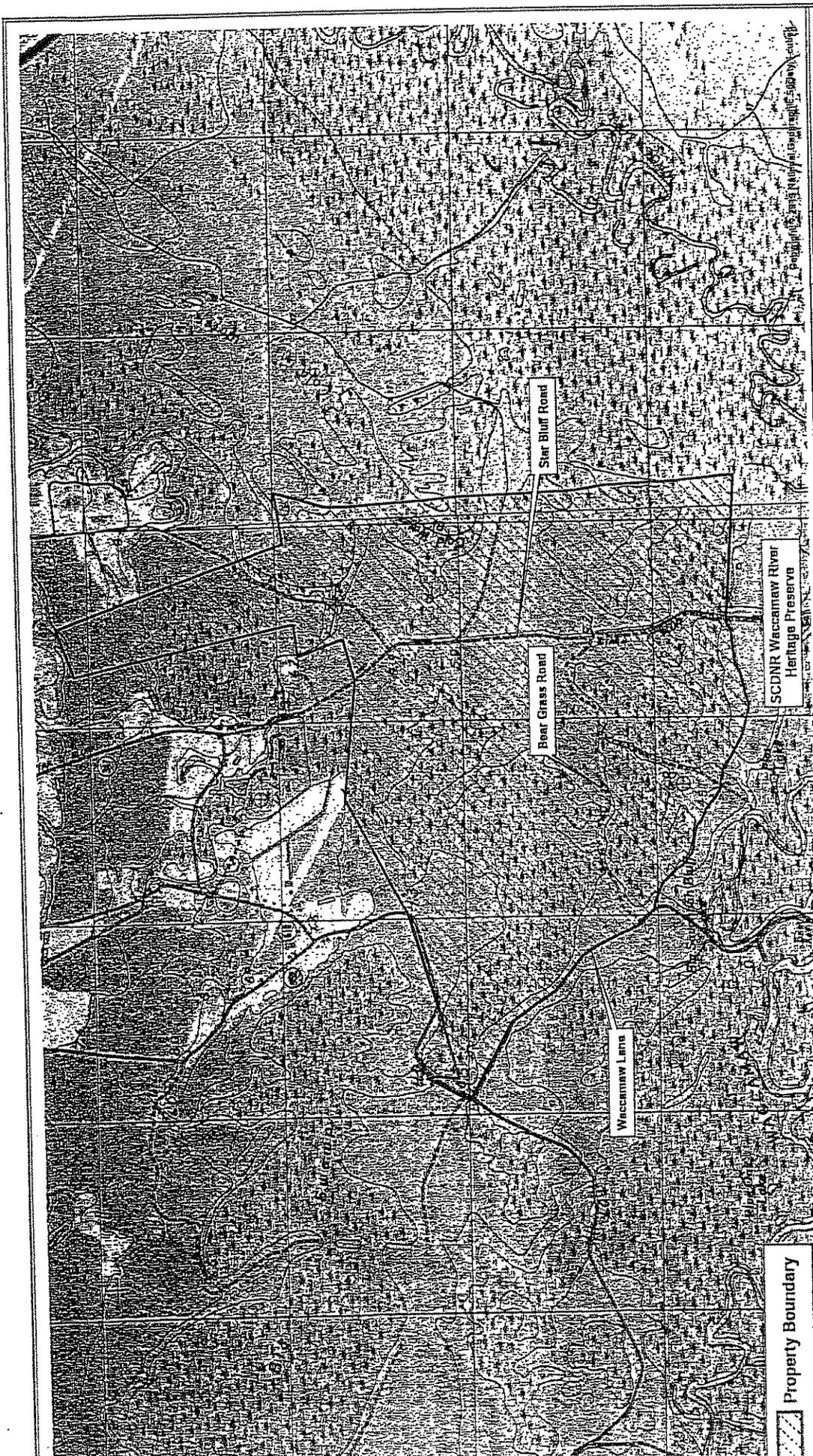
This assessment has revealed no evidence of on-site or off-site recognized environmental conditions associated with the subject property. Further environmental assessment with respect to Phase I scope considerations is not recommended at this time.



Date: June 2013
 Source: ESRI
 Coordinate System: NAD 1983 StatePlane South Carolina FIPS 3000 Feet Ind

Figure 1: Vicinity Map
 Phase I Environmental Site Assessment
 Carter Sillley Wetland and Stream Mitigation Bank
 Horry County, South Carolina

TIDEWATER
 ENVIRONMENTAL SERVICES, INC.
 25 Romney Blvd., Suite 202, Charleston, SC 29405
 Phone: (843) 762-2700 Fax: (843) 762-2700
 www.tidewaterenvironmental.com



Date: June 2011
 Source: ESRI
 Coordinate System: NAD 1983 StatePlane South Carolina FIPS 3100 Feet Intl

Figure 2: Location and USGS Topographic Map
 Phase I Environmental Site Assessment
 Carter Silley Wetland and Stream Mitigation Bank
 Horry County, South Carolina

BLIDEWATER
 ENVIRONMENTAL SERVICES, INC.
 28 Ramsey Street, Suite 202, Charleston, SC 29403
 Phone: (843) 782-3780 Fax: (843) 782-3788
 www.blidewaterenvironmental.com

BUDGET AND CONTROL BOARD PROPERTY INFORMATION

Part I

1. PROJECT NUMBER: P24-
2. COUNTY: Horry
3. DESCRIPTION: Fee-simple donation of 1,304 acres adjoining the DNR's Waccamaw River Heritage Preserve/Wildlife Management Area.
4. GRANTOR(S): American Timberlands Company, 98 Centemmarsh Lane, Pawley's Island, SC 29585.
5. GRANTEE(S): South Carolina Department of Natural Resources, 1000 Assembly Street, PO Box 167, Columbia, SC 29202.
6. COUNTY LOCATION: North of the Waccamaw River and south of County Road 905 off Waccamaw Lane in the Community of Longs.
7. ACREAGE: 1,304 acres.
8. PURPOSE/PROJECT: To accept a property donation of 1,304 acres adjoining the DNR's Waccamaw River Heritage Preserve that will provide additional hunting and recreational opportunities to the public.
9. NEED TO ACQUIRE PROPERTY: See above.
10. PURCHASE PRICE: \$0.00 – property is a donation.
11. CURRENT YEAR PROPERTY TAX AMOUNT: \$1,551.00

Part II

1. HOW MANY SITES WERE EVALUATED? Numerous sites are evaluated throughout the year for participation in DNR's Heritage Trust and Wildlife Management Area Programs.
2. SELECTION CRITERIA USED TO EVALUATE SITES? Eligibility criteria for the Heritage Trust Program and Forest Legacy Program were used to evaluate the site. They include scenic values, forest production potential, fish and wildlife habitat values, threatened and endangered species values, water quality issues, level of conversion threat, and links to other habitat protection initiatives.
3. HOW WAS THE FINAL SELECTION MADE? Approval by the DNR Board.

BUDGET AND CONTROL BOARD PROPERTY INFORMATION

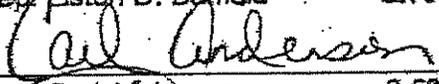
4. WHY WAS THIS SPECIFIC SITE SELECTED? The land contains upland and wetland wildlife habitat, adjoins DNR property, and has been offered to the agency as a donation.
5. ESTIMATED COST OF ANY CONSTRUCTION COST OR RENOVATIONS TO BE DONE ON THE PROEPRTY AND THE ANTICIPATED SOURCE OF FUNDS FOR SUCH WORK. No construction or renovations will be done on the property.
6. ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM ACQUISITION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. IF NONE, EXPLAIN WHY. No additional annual operating costs are anticipated for the acquisition because DNR is currently managing the adjoining area and will incorporate the property into its existing management budget.
7. ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM CONSTRUCTION/RENOVATION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. EXPLAIN FACTORS THAT DETERMINE THE COSTS. IF NONE, EXPLAIN WHY. N/A

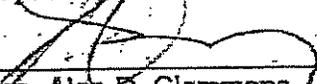
Project No. 9938

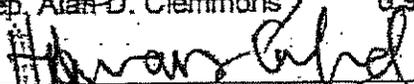
We, a majority of the members of the Horry County Legislative Delegation, pursuant to §51-17-140 of the South Carolina Code of Laws, do hereby approve the acquisition of approximately 1,304 acres in Horry County, by the South Carolina Department of Natural Resources.

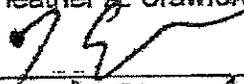

Rep. Nelson Hardwick 6.79%

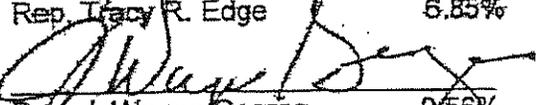

Rep. Liston D. Barfield 6.76%

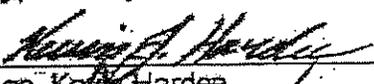

Rep. Carl Anderson 0.52%

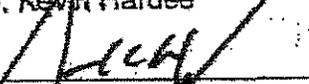

Rep. Alan D. Clemmons 6.91%

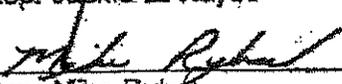

Rep. Heather A. Crawford 7.02%


Rep. Tracy R. Edge 6.85%


Rep. J. Wayne George 0.56%

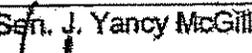

Rep. Kevin Hardee 6.99%

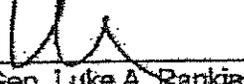

Rep. Jackie E. Hayes 0.54%

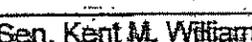

Rep. Mike Ryhal 7.06%


Sen. Raymond E. Cleary, III 11.43%


Sen. Greg Membrée 17.83%


Sen. J. Yancy McGill 0.85%


Sen. Luke A. Rankin 19.44%


Sen. Kent M. Williams 0.45%



Horry County Council

Mark Lazarus
Chairman

Jody Prince
Vice Chairman
District 10

Harold Worley
District 1

Brent I. Schulz
District 2

Marion D. Foxworth, III
District 3

Gary Loftus
District 4

Paul D. Price, Jr.
District 5

Robert P. Grabowski
District 6

James R. Frazier
District 7

Carl H. Schwartzkopf
District 8

W. Paul Prince
District 9

Al Allen
District 11

Patricia S. Hasbley
Clerk to Council

(843) 915-5120
(843) 915-6120 Fax

February 24, 2014

Mr. Kenneth Prosser
Rembert C. Dennis Building
1000 Assembly Street
PO Box 167
Columbia, SC 29202

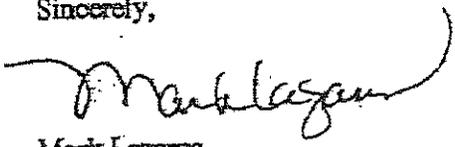
RE: Letter of Support – Carter Stillely SC LCC Property Donation

Dear Mr. Prosser:

Thank you for the recent information concerning the property donation of Carter Stillely, SC, LLC of approximately 1,304 acres adjoining the DNR's Waccamaw River Heritage Management Area. We understand that acceptance of the land will expand the preserve, providing additional property for public recreational activities, protecting additional natural resource preservation, and will assist in the establishment of a mitigation bank.

This letter serves as Horry County Council's Letter of Support for the acquisition of this property. Please let us know if you require anything further.

Sincerely,



Mark Lazarus
Chairman

**(b) Department of Transportation
Lexington County
U12-9723**

1. Letter from Agency
2. Appraisal Results
3. Environmental Results
4. Map
5. Cost Implications

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code U12 Name SC Department of Transportation

2. PROJECT
Project # 9723 Name Lexington County Maintenance Land Acquisition

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1)	\$	\$	\$	\$
2)	\$	\$	\$	\$
3)	\$	\$	\$	\$

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

	<u>COST FACTORS</u>	<u>AMOUNT</u>
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
	TOTAL	_____

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved.

9. Submitted By: Robert J. St. Onge, Jr. Secretary of Transportation
Signature of Authorized Official and Title

12/1/14
Date 161

**(b) Department of Transportation
Lexington County
U12-9723**

1. Letter from Agency
2. Appraisal Results
3. Environmental Results
4. Map
5. Cost Implications



South Carolina
Department of Transportation

January 14, 2014

Ms. Allyn Powell
SC Budget and Control Board
State Budget Division
1205 Pendleton Street
Edgar A. Brown Building, Suite 529
Columbia, SC 29201

**Re: Lexington County Maintenance Land Acquisition
U12-9723**

Dear Ms. Powell:

Attached is an A-1, Budget and Control Board – Permanent Improvement Project Request, to increase the project budget to purchase 33.6 acres of land in Lexington County. The land has appraised for \$1,615,000, the Level 1 Environmental Site Assessment is complete and found to be satisfactory, suspect hazardous materials located within eight small structures to be demolished were found to be negative for asbestos, and a boundary survey completed. SCDOT negotiated a \$1,400,000 price for the land.

The SCDOT Commission approved the acquisition of land in Lexington County for a future maintenance complex in June of 2011 for expenditure up to \$1,600,000.

Therefore, we request approval from the Budget and Control Board for the purchase of 33.6 acres of land in Lexington County, TMS # 006400-06-011 and 06400-06-009.

Sincerely,

Suzette S. Johnson

SCDOT Capital Improvements Manager

SSJ:mc
Attachment

C: Robert J. St. Onge, Jr., Secretary of Transportation
Andrew T. Leaphart, Director of Support Services

File/CI/SSJ



2033 Chapin Road
Chapin, S.C. 29036
(803) 345-1135
Fax: (803) 345-1136

CONFIDENTIAL

November 12, 2013

Mr. W.C. Johnston
R/W Field Administrator
SCDOT
Post Office Box 191
Columbia, SC 29202

RE: An appraisal and summary report of vacant land located at 2668 Two Notch Road, Lexington, Lexington County, South Carolina 292072

Our File #: 13096/SCDOT File Number 32.388

Dear Mr. Johnston:

As per your request, we have now completed the appraisal of the above referenced property. It was our purpose to estimate the market value of the subject. As you are aware, the scope of the assignment required us to estimate the market value of the fee simple interests in the subject property. The appraisal has been reported in a summary format.

The appraisal is intended to comply with the Uniform Standards of Professional Appraisal Practice. The Appraisal Institute has adopted these standards, and the appraisal is subject to the additional requirements of that professional association. It is also subject to the assumptions and limiting conditions beginning on page 6 and those assumptions and limiting conditions stated throughout the report. The appraisal report is 61 pages of narrative analysis and discussion plus the addenda. Please pay attention to the tax section and valuation sections within the report. Recent tax law changes may impact real estate values in South Carolina.

Please note we have referred to the parcel as the 2668 Two Notch Road address for reference purposes only. As we are certain you are aware there are actually two parcels. One is 32.4 acres and the other is 1.2 acres. We have analyzed this as one 33.6 acre tract as this is the highest and best use of both parcels. The subject also has access from Barr Road. We used the Two Notch Road address as that is a primary road with the most frontage and provides the most influence on value.



Therefore, it is our opinion that the market value "as is" of the fee simple interests held in the subject property as of November 1, 2013 is:

ONE MILLION SIX HUNDRED FIFTEEN THOUSAND DOLLARS
(\$1,615,000)

Thank you for the opportunity of providing you with appraisal services. If we can be of further assistance, please do not hesitate to contact us.

Sincerely,

H. LeGette Parker, Jr., MAI
President, Parker Associates, Inc.
Reviewing Appraiser
State Certified General Real
Estate Appraiser CG 317

Stanley W. Carman
Inspecting Appraiser
State Certified General Real
Estate Appraiser 6502

EXECUTIVE SUMMARY

Value Indication: \$1,615,000

Date of Appraisal: November 1, 2013

Location: 2668 Two Notch Road, Lexington, Lexington
County, South Carolina 29072

Property Rights Appraised: Fee Simple Interests

Land Area Appraised: Approximately 33.6 Acres or 1,463,616 S.F.

Improvements: None

Utilities: All available

Zoning: ID (Intensive Development)

Highest and Best Use: As Vacant – Industrial Use

Neighborhood Trends: Present – Moderate growth over the foreseeable fu-
ture

Value Indications:

Land Value: \$1,615,000

Final Value Estimate: \$1,615,000
Fee Simple

Marketing Period: Within 8-12 months -No discount for marketing
period

Exposure Time: Within 12 months



Value Indication/ Summary

A summary of the value indications before and after adjustments for the land is as follows:

<u>Low - High</u>	<u>Range</u>	<u>Mean</u>
Before Adjustments:		
\$32,819 - \$64,041	\$31,222	\$50,481
After Adjustments:		
\$47,316 - \$51,232	\$3,917	\$48,944

All four comparables contribute towards establishing a market value estimate. Comparables two, three, and four received the least adjustments and were therefore given the most weight when determining the per square foot value. We gave slightly more weight in the final analysis to comparable two as it had the lowest net adjustment. We have determined a per acre value of \$48,000.

Value Indication				
33.6 acres	X	\$48,000 per Acre	=	\$1,612,800
Rounded				\$1,615,000

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CERTIFICATE OF THE APPRAISER - H. LEGETTE (LEE) PARKER, JR., MAI

I, the undersigned appraiser, do hereby certify that, except as otherwise noted in this appraisal:

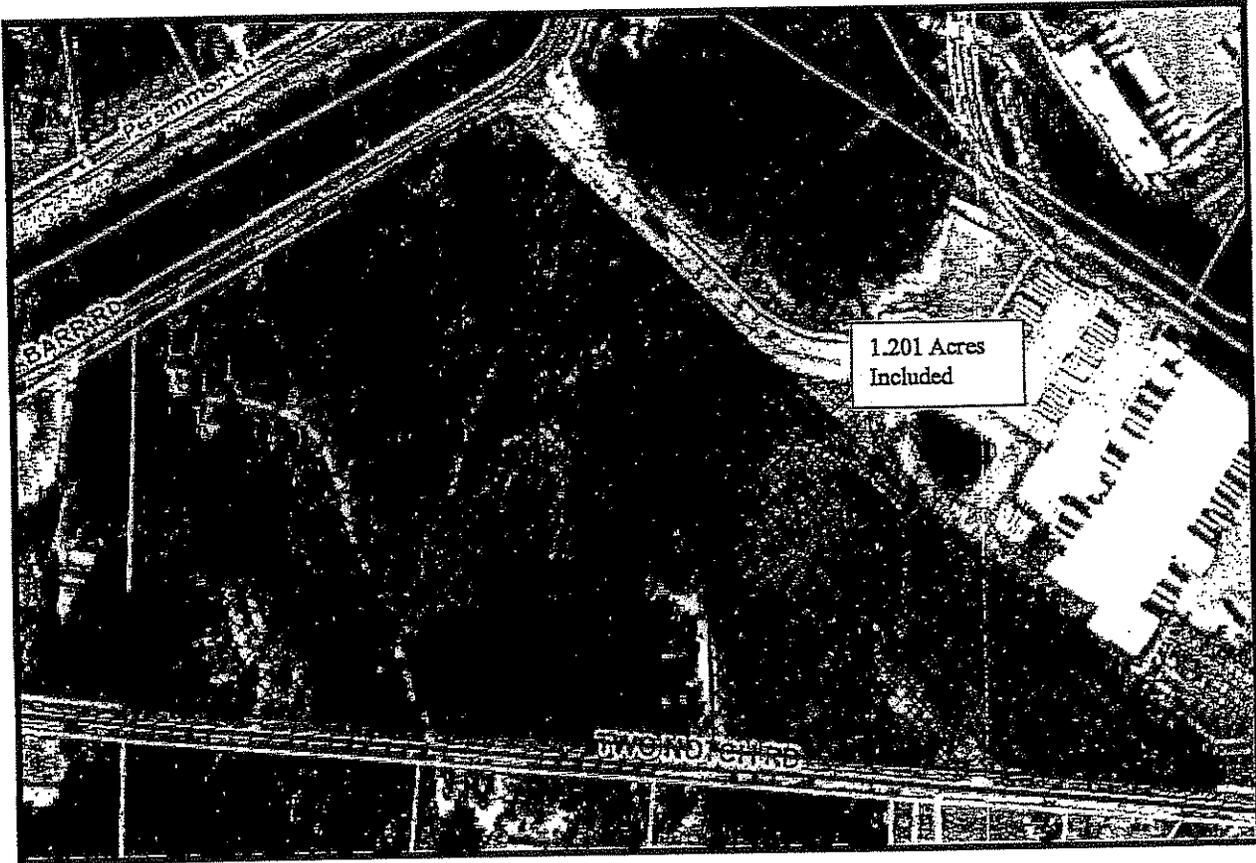
1. The statements of fact in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
6. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
7. The value estimate is not based on a predetermined number.
8. I have not made a personal inspection of the property that is the subject of this report.
9. No one provided significant professional assistance to the person signing this report.
10. The estimate of value in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the properties in the vicinity of the property appraised.
11. This appraisal assignment was not made, nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation, or an amount that would result in approval of a mortgage loan.
12. As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.
13. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

H. LeGette Parker, Jr., MAI
President, Parker Associates, Inc.
Reviewing Appraiser
State Certified General
Real Estate Appraiser - CG 317



SUBJECT TAX MAP

Please note this is for illustration purposes only.



A. SUMMARY

As requested, F&ME Consultants has performed this Phase I Environmental Site Assessment (Phase I) of the subject 33.6-acre property located at 2668 Two Notch Road in Lexington, South Carolina. This assessment was performed on behalf of the South Carolina Department of Transportation (User). This tract consists of a small property surrounded by a larger property, which are identified with Lexington County Tax Map #s 006400-06-011 and 006400-06-009, respectively.

This assessment was conducted in accordance with the S.C. State Budget and Control Board Policy for Obtaining Environmental Studies for Land Acquisition and Criteria for Environmental Studies (Rev. 11-16-10) and ASTM E1527-13, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process. The investigation consisted of reasonably ascertainable: historical records review, historical photographs review, and review of regulatory records databases and records made available. Chain of ownership information was provided by the User and is included herein.

The property was visually inspected and photographed on December 11, 2013. The site inspection also included a visual inspection of the present usage of adjoining and surrounding properties within the approximate recommended minimum search distance. During the site inspection, the ASTM E1528-06 Transaction Screen Questionnaire was completed.

F&ME requested information from the SCDHEC Freedom of Information (FOI) office for the subject property. Their search results indicated that there is a groundwater file for the site, but they have little information. Information provided by Environmental Data Resources (EDR) further indicated that there are no records of concern associated with the subject tract. They did indicate that a "flagged" property located within a half mile from the subject tract, although the site was deemed a "No Further Action" site by SCHDEC as of July 21, 2010. This means that the site is no longer considered to be a problem site. Based on this information, we have identified no recognized environmental concerns (REC's) on the subject tract or adjoining properties. However, *de minimus* conditions on the subject site of note included household trash and debris on the property, an unknown number of septic tanks, as well as eight (8) abandoned mobile homes.

Our findings, recommendations, and responses to the ASTM Questionnaires are recorded herein. No Phase II Environmental Site Assessment is recommended at this time. Refer to Section I, Opinion, and Section J, Conclusions.

If there are any questions concerning this Phase I Environmental Site Assessment, or if we can be of any further assistance on this project, please do not hesitate to contact us at (803) 254-4540. We appreciate the opportunity to provide this service.

Sincerely,

F&ME CONSULTANTS



Jessica L. Shannon, M.S.
Environmental Professional



Glynn M. Ellen
Senior Environmental Professional

H. FINDINGS

The objective of this Phase I Environmental Site Assessment was to determine the presence or the potential presence of recognized environmental conditions (REC's) on the subject property and adjoining/adjacent properties that would negatively impact or contribute to future liability associated with the subject property.

To meet this objective, criteria as generally set forth by the South Carolina State Budget and Control Board Policy for Obtaining Studies for Land Acquisitions (Nov. 16, 2010), the ASTM E1528-06 and ASTM E1527-13 were utilized, with respect to a visual inspection and reasonably ascertainable historical and regulatory records review. The following is a discussion of the *de minimus* items of note based on the information obtained during this assessment.

Septic System(s). The Owner indicated that the eight (8) abandoned manufactured/ mobile homes on site are connected to an unspecified number of septic systems. The manufactured/ mobile homes are located in two (2) distinct clusters; due to this arrangement, it is likely that there are multiple tanks and at least two (2) drain fields. The septic tanks are currently in place, and the locations of both the septic tanks and the drain fields were not revealed. The tanks will need to be addressed during future site work; however, they do not appear to pose a threat to human health or the environment. The tanks should be decommissioned in accordance with appropriate regulations. While this issue is important to note in terms of future development of the subject tract, they are not regarded as RECs.

Household/ Solid Waste and Debris. Multiple areas of solid waste disposal were observed during the site visit. These areas include a variety of debris, including old kitchen appliances, bottles, cans, tires, various car parts, parts of a grill, etc. These materials should be removed from site during clearing operations, although they do not appear to pose a threat to human health or the environment in their current state.

Manufactured/ Mobile Homes. These structures are in very poor condition overall. Their removal is recommended, although they do not appear to pose a threat to human health or the environment in their current state. It is important to note that additional investigations of the structures may be required prior to demolition activities, specifically in terms of asbestos containing materials.

L. OPINION

Based upon the observations made on the date of the site inspection, records review, and information obtained from others, it is our opinion that the subject property does not contain a REC. However, *de minimus* conditions were observed on site that will need to be addressed during the site work stages of future development.

As described herein, surrounding properties contain light industrial/ commercial facilities such as Penske Truck Leasing Company, BS Automotive, Gainey Transportation Services, etc. However, they do not appear to be a major concern, especially in light of the planned usage of the property as an SCDOT maintenance facility.

J. CONCLUSIONS

Based upon the data presented herein, the conditions observed during the site inspection, and information obtained during the interviews and historical records searches, we conclude that there is not a REC associated with the subject property, although *de minimus* conditions were noted. See Section H, Findings, for more information.

We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-13 of 2668 Two Notch Road and related properties, the property. Any exceptions to, or deletions from, this practice are described in Section K, Deviations, of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the property.

F&ME has conducted all appropriate inquiry for this Phase I Environmental Site Assessment of the subject property in conformance with the scope and limitations of ASTM Practice E1527-13. Should conditions change on the property or adjacent properties, it is important for a new Phase I to be performed to adequately evaluate the changes.

K. DEVIATIONS

There are no deviations from the standard of practice for Phase I Environmental Site Assessments concerning the findings, opinion, and conclusions exhibited or expressed in this report.

L. ADDITIONAL SERVICES

1. Archeological Sites

It is not known if there are any recorded archaeological sites on the subject property. Therefore, if any sites of potential archaeological significance are located on the property, the South Carolina Institute of Archaeology and Anthropology, Columbia, S.C. [(803) 777-8170] is to be notified to inspect the property and review their records.

2. Endangered Species

If any rare and/or endangered species are encountered on the property, the South Carolina Department of Natural Resources, Heritage Trust Program, Columbia, S.C. [(803) 734-3917] is to be notified to inspect the property and review their records.

M. REFERENCES

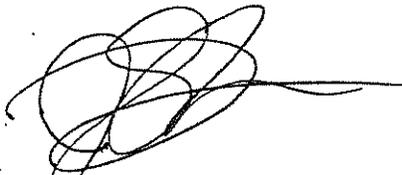
1. American Society of Testing and Materials (ASTM), "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process," ASTM E1527-13.
2. American Society of Testing and Materials (ASTM), "Environmental Site Assessment Transaction Screen Questionnaire," ASTM E1528-06.
3. FEMA flood map information obtained on-line.
4. Available aerial photographs, historic topographic maps, Sanborn Fire Insurance maps, and database search results obtained from Environmental Data Resources.
5. National Wetlands Inventory mapping information obtained on-line.

19. Siple, G.E., 1967, Geology and ground water of the Savannah River Plant and vicinity, South Carolina: U.S. Geological Survey Water-Supply Paper 1841, 113 p.
20. South Carolina Department of Natural Resources, Geologic Survey, 1998, Structural features map of South Carolina: compilation by various authors, map series GGMS-4, 1:500,000 scale, 1 plate

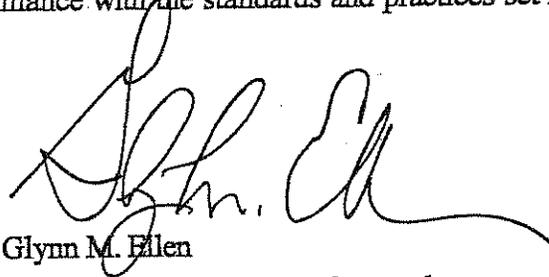
N. SIGNATURE OF ENVIRONMENTAL PROFESSIONAL

I declare that, to the best of my professional knowledge and belief, I meet the definition of environmental professional as defined in §312.10 of 40 CFR 312.

I have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. I have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.



Jessica L. Shannon, M.S.
Environmental Professional
F&ME Consultants, Inc.
jshannon@fmecol.com



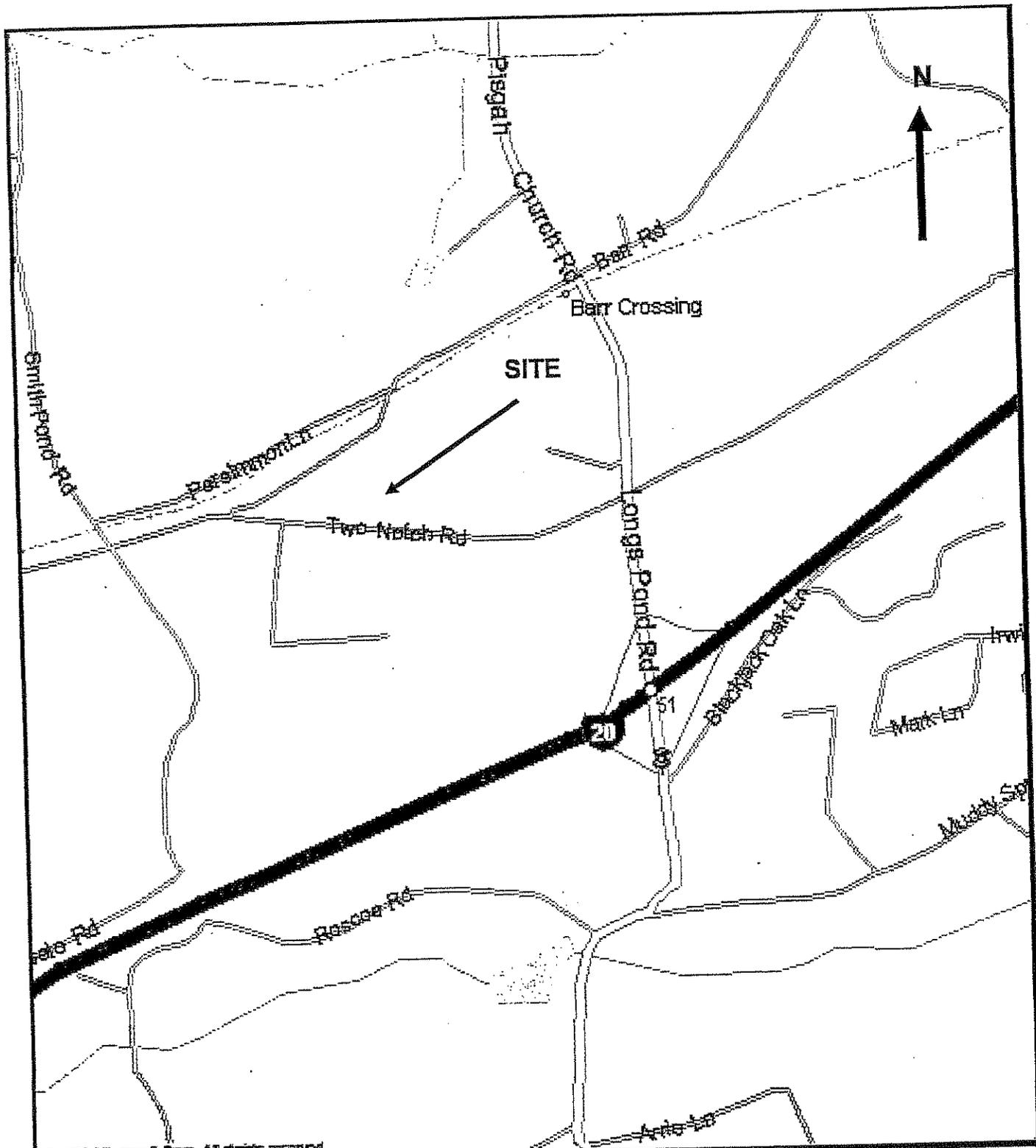
Glynn M. Ellen
Senior Environmental Professional
F&ME Consultants, Inc.
glynn@fmecol.com

O. QUALIFICATIONS OF ENVIRONMENTAL PROFESSIONAL

See following pages.

P. APPENDICES

1. Site Vicinity Map
2. Site Plan
3. Site Photographs
4. Historical Research Documentation
5. Regulatory Records Documentation
6. Interview Documentation
7. Special Contractual Conditions between User and Environmental Professional
8. Property Deeds
9. 40 CFR Part 312



F&ME CONSULTANTS	SITE VICINITY MAP 2668 Two Notch Road Lexington, South Carolina 29072		
	Prepared By: GME Checked By: JLS Approved By: GME	Scale: N.T.S. Project: E5350.05 Figure: 1	
SC DEPARTMENT OF TRANSPORTATION			

PROPERTY ACQUISITION INFORMATION

PART I

1. **Project Number:** U12-9723-LP
2. **County:** Lexington (32)
3. **Description of Property:** Located in Central Lexington County in an industrial area near Interstate I-20
4. **Grantor(s) Name and Address:** Janda F. Fulmer and Julia S. Frahn
3212 Dennis Drive
Columbia, South Carolina 29204
5. **Grantee Name and Address:** SCDOT
955 Park Street
Columbia, SC 29201
6. **County Location:** Lexington County
7. **Acreage:** 33.6
8. **Purpose of Acquisition:** Land to construct a future Lexington County Maintenance Complex.
9. **Demonstrate the need to acquire the property:** The existing Lexington County Maintenance Complex is located in a heavily developed part of the Town of Lexington. The vehicle repair shop and shed are 62 years old. Heavy equipment must traverse a residential community or a heavy commercial area to access this facility. By locating the facility out of the Town of Lexington, in an industrial area, and within close proximity to the interstate, SCDOT will have better access to the roads as well as allow the combination of this county facility with two county section sheds.
10. **Purchase Price:** \$1,400,000.00
11. **Current Year Property Tax:** \$4,873.21

PART II

1. **How many sites were evaluated?**

Four sites were evaluated.

2. **Please list the selection criteria used to evaluate sites.**

Selection criteria: Land located in Central Lexington County, water and sewer available, easy access from the site (not on a busy or congested roadway) located in an industrial area and near the interstate, and value of land.

3. **How was the final selection made?**

Final selection was made based on the criteria noted in item 2 above..

4. **Why was this specific site selected?**

Location and value.

5. **What are the estimated costs of any construction or renovations to be done on the property and the anticipated source of funds for such work?**

\$8,300,000.00. \$100,000 has been appropriated by the state. SCDOT will request the remaining funds to be state appropriated also.

6. **What are the estimated additional annual operating costs, which will result from acquisition of the property and the anticipated source of funds? Explain the factors that determine the cost. If no costs, explain why not.**

No additional operating cost or work is required until we construct on the property.

7. **What are the estimated additional annual operating costs, which will result from construction/renovation on the property and the anticipated source of funds? Explain the factors that determine the costs. If no costs, explain why not.**

No additional operating cost. The existing Lexington County Complex will be closed when the new facility operates on the new property. The existing buildings are not energy efficient and have little to no building insulation. Utility costs are expected to be the same. No new staff will be added at the new facility. The existing facility, or majority of the facility, will be deemed surplus and sold.

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY CODE P24 Name South Carolina Department of Natural Resources

2. PROJECT # _____ Name Horry - Waccamaw River Heritage Preserve Property Donation

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings)
 COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
Expenditures			Revenues	Net Amount
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1). 2013-2014	0.00	0.00	0.00	0.00
2). 2014-2015	0.00	0.00	0.00	0.00
3). 2015-2016	0.00	0.00	0.00	0.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget? YES NO

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	\$ _____

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 0

9. Submitted By *Scott Speares* 12/5/2013
 Scott Speares, Assistant Deputy Director of Outreach & Support Services

148

AGENCY: Division of General Services

SUBJECT: South Carolina Education Lottery Lease at 1333 Main Street, Columbia

The South Carolina Education Lottery (SCEL) is requesting approval to lease 32,248 SF at 1333 Main Street in Columbia from Investments LLC, a South Carolina based company. SCEL currently leases 7,685 SF on the third floor, 3,285 SF on the ground floor and 28,963 SF on the fourth floor of this same building for a total of 39,933 SF at a rate of \$17.00/SF. The space is used for administrative offices. However, through consolidation of operations and duties for greater efficiency, SCEL has reduced its staff from approximately 143 FTE's to less than 120 FTE's and as such, wishes to relinquish the 7,685 SF on the third floor. By relinquishing this space, SCEL will immediately save \$243,000.

A solicitation was conducted and the only proposal received was for the current location. The lease term will be seven (7) years commencing the earlier of June 1, 2014 or within 60 days of the executed lease. SCEL will have the right to extend the term of this lease for three (3) years with the same terms, conditions, and escalations of the original lease. The landlord will upfit the space SCEL currently occupies on the fourth floor to accommodate the employees currently on the third floor and will continue to provide free parking for all employees. Base rent will be \$15.95 per square foot for the first year of the lease. Thereafter, base rent increases annually as shown in the chart below:

<u>INITIAL TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$514,355.64	\$ 42,862.97	\$ 15.95
YEAR 2	\$525,642.36	\$ 43,803.53	\$ 16.30
YEAR 3	\$536,929.20	\$ 44,744.10	\$ 16.65
YEAR 4	\$548,216.04	\$ 45,684.67	\$ 17.00
YEAR 5	\$559,502.76	\$ 46,625.23	\$ 17.35
YEAR 6	\$570,789.60	\$ 47,565.80	\$ 17.70
YEAR 7	\$582,076.44	\$ 48,506.37	\$ 18.05
<u>EXTENDED TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 8	\$593,363.16	\$ 49,446.93	\$ 18.40
YEAR 9	\$604,650.00	\$ 50,387.50	\$ 18.75
YEAR 10	\$615,936.84	\$ 51,328.07	\$ 19.10

AGENCY: Division of General Services

SUBJECT: South Carolina Education Lottery Lease at 1333 Main Street, Columbia

Basic Rent for the first year of the Initial Term consists of \$9.03 per square foot (\$291,199.44 per year) allocated to rental space and \$6.92 per square foot (\$223,156.16 per year) representing SCEL's share of Building Operating Cost as related to its pro rata share of space. At the conclusion of the second year of the Initial Term and at the conclusion of each subsequent year of the Term, the Landlord will compute the increase, if any, in the Building Operating Cost over the prior year Building Operating Cost. Such increase will be multiplied by SCEL's pro rata share and will be paid by SCEL to the Landlord; provided, however, that in no event will SCEL be liable for or obligated to pay any portion of the Building Operating Cost increases which exceed 105% of SCEL's pro rata share of Building Operating Cost in the immediately preceding rental year.

There are adequate funds for the lease according to a Budget Approval Form and multi-year plan submitted by SCEL.

While only one proposal was received from the solicitation, the following chart represents comparable lease rates of similar business space, in the Columbia central business district:

Location	Base Rent Rate/SF
1122 Lady St	\$16.00
1441 Main St	\$17.50
1201 Main St	\$16.00

The lease was approved by JBRC at its April 8, 2014 meeting.

BOARD ACTION REQUESTED:

Approve the proposed 7 year lease and 3 year extended term for the South Carolina Education Lottery at 1333 Main Street in Columbia.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: April 30, 2014

Regular Agenda

1. Submitted by:

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:



Nolan L. Wiggins, Jr., Director

2. Subject: South Carolina Education Lottery lease at 1333 Main Street, Columbia

3. Summary Background Information:

The South Carolina Education Lottery (SCEL) is requesting approval to lease 32,248 SF at 1333 Main Street in Columbia from Investments LLC, a South Carolina based company. SCEL currently leases 7,685 SF on the third floor, 3,285 SF on the ground floor and 28,963 SF on the fourth floor of this same building for a total of 39,933 SF at a rate of \$17.00/SF. The space is used for administrative offices. However, through consolidation of operations and duties for greater efficiency, SCEL has reduced its staff from approximately 143 FTE's to less than 120 FTE's and as such, wishes to relinquish the 7,685 SF on the third floor. By relinquishing this space, SCEL will immediately save \$243,000.

A solicitation was conducted and the only proposal received was for the current location. The lease term will be seven (7) years commencing the earlier of June 1, 2014 or within 60 days of the executed lease. SCEL will have the right to extend the term of this lease for three (3) years with the same terms, conditions, and escalations of the original lease. The landlord will upfit the space SCEL currently occupies on the fourth floor to accommodate the employees currently on the third floor and will continue to provide free parking for all employees. Base rent will be \$15.95 per square foot for the first year of the lease. Thereafter, base rent increases annually as shown in the chart below:

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<u>EXTENDED TERM</u>	<u>ANNUAL</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>

	RENT		
YEAR 8	\$593,363.16	\$ 49,446.93	\$ 18.40
YEAR 9	\$604,650.00	\$ 50,387.50	\$ 18.75
YEAR 10	\$615,936.84	\$ 51,328.07	\$ 19.10

Basic Rent for the first year of the Initial Term consists of \$9.03 per square foot (\$291,199.44 per year) allocated to rental space and \$6.92 per square foot (\$223,156.16 per year) representing SCEL's share of Building Operating Cost as related to its pro rata share of space. At the conclusion of the second year of the Initial Term and at the conclusion of each subsequent year of the Term, the Landlord will compute the increase, if any, in the Building Operating Cost over the prior year Building Operating Cost. Such increase will be multiplied by SCEL's pro rata share and will be paid by SCEL to the Landlord; provided, however, that in no event will SCEL be liable for or obligated to pay any portion of the Building Operating Cost increases which exceed 105% of SCEL's pro rata share of Building Operating Cost in the immediately preceding rental year.

There are adequate funds for the lease according to a Budget Approval Form and multi-year plan submitted by SCEL.

While only one proposal was received from the solicitation, the following chart represents comparable lease rates of similar business space, in the Columbia central business district:

Location	Base Rent Rate/SF
1122 Lady St	\$16.00
1441 Main St	\$17.50
1201 Main St	\$16.00

The lease was approved by JBRC at its April 8, 2014 meeting.

4. What is the Board asked to do? Approve the proposed 7 year lease and 3 year extended term for the South Carolina Education Lottery at 1333 Main Street.

5. What is recommendation of the Division of General Services? Approval of the proposed 7 year lease and 3 year extended term for the South Carolina Education Lottery at 1333 Main Street.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-55. Leasing of real property for governmental bodies.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches of this State. Governmental body excludes the General Assembly, Legislative Council, the Office of Legislative Printing, Information and Technology Systems, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Budget and Control Board is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Office of General Services of its requirement on rental request forms prepared by the office. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the office agree meets necessary requirements and standards for state leasing as prescribed in procedures of the board as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The board shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Office of General Services or his designee.

SECTION 1-11-56. Program to manage leasing; procedures.

The State Budget and Control Board, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of state agencies. The board's regulations, upon General Assembly approval, shall include procedures for

(1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of

(a) a nonappropriation for the renting agency,

(b) a dissolution of the agency, and

(c) the availability of public space in substitution for private space being leased by the agency.

(4) rejecting an agency's request for additional space or space at a specific location, or both;

(5) directing agencies to be located in public space, when available, before private space can be leased;

(6) requiring the agency to submit a multi-year financial plan for review by the board's budget office with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period, and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period

AGENCY: Clemson University

SUBJECT: Not Exceeding \$100,000,000 Higher Education Revenue Bonds, Series 2014, of
Clemson University

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$100,000,000 Higher Education Revenue Bonds, Series 2014, issued on behalf of the Clemson University.

The proceeds from the sale of the bonds will be used for the purposes of: (a) providing the amount necessary, together with other available fund for the University, to defray the costs of the Project; (b) subject to the provisions of Section 6.03 hereof, providing money to fund the Series 2014 Debt Service Reserve Fund; (c) providing moneys to pay the interest on the Series 2014 Bonds during construction of the project t, as determined under the provisions of Section 3.03 hereof; and (d) paying certain costs and expenses related to the issuance of the Series 2014 bonds for the purpose of planning, developing, constructing and equipping a mixed-use facility encompassing additional student housing, dining, retail, administrative and other auxiliary facilities and services on the campus of the University.

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale not exceeding \$100,000,000 Higher Education Revenue Bonds, Series 2014, issued on behalf of the Clemson University.

ATTACHMENTS:

Pope 6/8/14 letter; Resolution



POPE ZEIGLER
LAW FIRM
COLUMBIA | CHARLOTTE

Pope Zeigler, LLC
1411 Gervais St., Ste 300
Post Office Box 11509
Columbia, SC 29211

MAIN 803 354.4900
FAX 803 354.4899
popezeigler.com

April 8, 2014

Mr. Delbert H. Singleton, Jr., Board Secretary
South Carolina Budget and Control Board
Wade Hampton Office Building
1200 Senate Street, Room 612
Columbia, South Carolina 29201

VIA HAND DELIVERY

Re: Not exceeding \$100,000,000 Higher Education Revenue Bonds, Series 2014 of
Clemson University, South Carolina (the "Bonds")

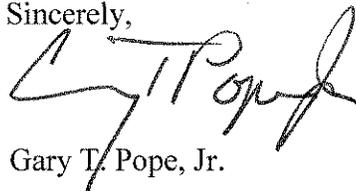
Dear Delbert:

On behalf of Clemson University, South Carolina, in connection with the issuance of the Bonds and in anticipation of the meeting of the South Carolina Budget and Control Board (the "State Board") scheduled for April 30, 2014, we respectfully enclose the following for consideration:

1. A copy of a bond resolution adopted by the Board of Trustees of Clemson University on December 1, 1997;
2. A copy of a series resolution adopted by the Board of Trustees of Clemson University on February 7, 2014, approving the issuance of the Bonds; and
3. A copy of the State Board's resolution regarding the issuance of the Bonds.

We will also be sending you in Microsoft Word, the electronic version of Item 3 listed above so that you can have it revised as necessary. Please let us know if you need anything further or if you have any questions or concerns.

Sincerely,



Gary T. Pope, Jr.

Enclosures

cc: F. Richard Harmon, Jr., Senior Assistant State Treasurer

A RESOLUTION

APPROVING THE ISSUANCE AND SALE OF NOT EXCEEDING \$100,000,000 HIGHER EDUCATION REVENUE BONDS, SERIES 2014, OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE SOUTH CAROLINA BUDGET AND CONTROL BOARD, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

As an incident to the adoption of this resolution (this "Resolution"), the South Carolina Budget and Control Board (the "State Board") finds:

Section 1.01

(a) The Board of Trustees of Clemson University (the "Board of Trustees"), the governing body of Clemson University, South Carolina (the "University"), is authorized by Chapter 147, Title 59 of the Code of Laws of South Carolina, 1976, as amended (the "Enabling Act"), to make provision for the issuance of revenue bonds ("Revenue Bonds") from time to time in order to raise funds to defray the cost of financing or refinancing in whole or in part the cost of the acquisition, construction, reconstruction, renovation and improvement of land and certain facilities identified under the Enabling Act (the "Facilities") on the campus of the University. The Board of Trustees is authorized by the Enabling Act to further secure the Revenue Bonds payable from certain revenues of the Facilities by the pledge of the proceeds of a special fee charged to all persons in attendance at any regular or summer session and who are enrolled in any course or class for which credit is given for any degree offered by the University.

(b) On December 1, 1997, the Board of Trustees adopted a resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO" (the "Bond Resolution"), as a means of providing for the issuance from time to time of Revenue Bonds of a particular series pursuant to the provisions of a Series Resolution of the Board of Trustees, provided all conditions required by the Bond Resolution are met. Pursuant to the Bond Resolution, the Board of Trustees previously issued and there remain Outstanding (a) \$11,435,000 of the originally issued \$22,130,000 Revenue Bonds, Series 2005 of Clemson University, South Carolina; and (b) \$20,915,000 of the originally issued \$21,200,000 Refunding Revenue Bonds, Series 2012 of Clemson University, South Carolina.

(c) On February 7, 2014, the Board of Trustees adopted a series resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A SERIES OF HIGHER EDUCATION REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH

CAROLINA, TO BE DESIGNATED SERIES 2014 IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING ONE HUNDRED MILLION DOLLARS (\$100,000,000), AND OTHER MATTERS RELATING THERETO” (the “2014 Series Resolution”) authorizing the issuance of Higher Education Revenue Bonds, Series 2014 (the “Series 2014 Bonds”) for the purpose of planning, developing, constructing and equipping a mixed-use facility encompassing additional student housing, dining, retail, administrative and other auxiliary facilities and services on the campus of the University (the “Project”).

(d) The 2014 Series Resolution authorized the use of proceeds of the Series 2014 Bonds for the purposes of: (i) providing the amount necessary, together with other available funds of the University, to defray the costs of the Project; (ii) subject to the provisions of Section 6.03 of the 2014 Series Resolution, providing money to fund the Series 2014 Debt Service Reserve Fund, if any, for the Series 2014 Bonds; (iii) providing moneys to pay the interest on the Series 2014 Bonds during construction of the Project; and (iv) paying certain costs and expenses relating to the issuance of the Series 2014 Bonds.

(e) The Board of Trustees has determined that the Project is advantageous to the University for its continued successful operation as a public institution of higher learning and the University hereby requests the State Board to approve at this time the issuance by the University of the Series 2014 Bonds to accomplish the Project and other matters related thereto.

Section 1.02

The Bond Resolution and the 2014 Series Resolution, each in the form adopted by the Board of Trustees, have been presented to the State Board.

Section 1.03

The Board of Trustees has determined that all conditions precedent to the issuance of the Series 2014 Bonds, including those required by the Bond Resolution, the 2014 Series Resolution, and the Enabling Act, will be met upon the issuance of the Series 2014 Bonds.

Section 1.04

All capitalized terms used in this Resolution, but not defined herein, shall have the meaning ascribed to such terms in the Bond Resolution and the 2014 Series Resolution.

ARTICLE II

AUTHORIZATION TO ISSUE AND SELL THE SERIES 2014 BONDS

Section 2.01

The State Board hereby approves and authorizes the issuance and sale of not exceeding \$100,000,000 principal amount Higher Education Revenue Bonds, Series 2014, of the University in accordance with the Enabling Act the in the manner and under such conditions as are prescribed by the Bond Resolution and the 2014 Series Resolution.

Section 2.02

On the basis of the foregoing, and after due consideration of the facts above recited and other matters appurtenant thereto, this Resolution has been adopted.

Dated: April 30, 2014.

AGENCY: University of South Carolina

SUBJECT: Not Exceeding \$31,500,000 Principal Amount Athletic Facilities Revenue Bonds, Series 2015A, of the University of South Carolina and Authorizing the Issuance and Sale of Athletic Facilities Revenue Bond Anticipation Notes

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$31,500,000 Principal Amount Athletic Facilities Revenue Bonds, Series 2015A, of the University of South Carolina and authorizing the issuance of Athletic Facilities Revenue Bond Anticipation Notes.

The proceeds of the bonds are to be used to (i) make improvements to the Football Stadium Plaza and Athletic Village, which will include a new Soccer Building, improvements to the Track and Field Complex, and modifications to the Field House, and Athletic Facilities Revenue Bond Anticipation Notes.; (ii) reimbursing the University for capital expenditures previously made in connection with, and paying the costs to construct and equip the project, including capitalized interest on the Series 2015A bonds, if any; (iii) funding the Series 2015A Debt Serve Reserve Fund or purchasing a debt service reserve fund substitute, if any; and (iv) paying certain costs and expenses relating to the issuance of the Series 2015A bonds, including a municipal bond insurance premium, if any.

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$31,500,000 Principal Amount Athletic Facilities Revenue Bonds, Series 2015A, of the University of South Carolina and authorizing the issuance and sale of Athletic Facilities Revenue Bond Anticipation Notes.

ATTACHMENTS:

Corley 4/4/14 letter; Resolution

April 4, 2014

O. Wayne Corley

wcorley@mcnair.net
T 803.799.9800
F 803.753.3278

Via Hand Delivery

Delbert Singleton
Budget and Control Board
Wade Hampton Office Building
6th Floor

Re: \$31,500,000 Principal Amount Athletic Facilities Revenue Bonds,
Series 2015A, of the University of South Carolina

Dear Delbert:

Attached is a resolution adopted by the Board of Trustees of the University of South Carolina (the "University") on October 19, 2001 entitled: "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO" authorizing the issuance, from time to time, of Athletic Facilities Revenue Bonds, upon the adoption of a series resolution.

Also attached is a series resolution adopted by the Board of Trustees of the University on February 21, 2014 entitled: "A SERIES RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, IN ONE OR MORE SERIES, TO BE DESIGNATED SERIES 2015A, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$31,500,00; AUTHORIZING THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SUCH BONDS; AND OTHER MATTERS RELATING THERETO".

Also attached is a resolution proposed to be adopted by the Budget and Control Board entitled: "A RESOLUTION APPROVING THE ISSUANCE AND SALE OF NOT EXCEEDING \$31,500,000 AGGREGATE PRINCIPAL AMOUNT ATHLETIC FACILITIES REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA TO FUND THE CONSTRUCTION AND EQUIPPING OF CERTAIN ATHLETIC FACILITIES AND AUTHORIZING THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF

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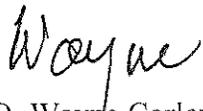
THE ATHLETIC FACILITIES REVENUE BONDS.” (the “Budget and Control Board Authorizing Resolution”).

I shall appreciate your scheduling the Budget and Control Board Authorizing Resolution for consideration and approval by the Budget and Control Board at its April 30, 2014 meeting.

As always, thank you for your most capable assistance and, should you need anything further, please let me know.

Sincerely,

McNAIR LAW FIRM, P.A.



O. Wayne Corley

OWC:snl

cc: Rick Harmon
Charlie FitzSimons

A RESOLUTION

APPROVING THE ISSUANCE AND SALE OF NOT EXCEEDING \$31,500,000 AGGREGATE PRINCIPAL AMOUNT ATHLETIC FACILITIES REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA TO FUND THE CONSTRUCTION AND EQUIPPING OF CERTAIN ATHLETIC FACILITIES AND AUTHORIZING THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE ATHLETIC FACILITIES REVENUE BONDS.

BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

As an incident to the adoption of this Resolution, the State Budget and Control Board of South Carolina (the "State Board") finds:

Section 1.01

(a) The Board of Trustees (the "Board of Trustees") of the University of South Carolina (the "University") is authorized pursuant to Act No. 518 of the 1980 Session of the General Assembly of the State of South Carolina, as amended by Act No. 545 of 1986, Act No. 302 of 1996, Act No. 6 of 1997, Act No. 182 of 2005 and Act No. 17 of 2007 (collectively, the "Enabling Act") to issue athletic facilities revenue bonds in one or more series for the purpose of providing funds for the financing or refinancing of the costs to acquire, construct, reconstruct, renovate and equip facilities of the University designated from time to time by the Board of Trustees as intercollegiate athletic facilities for the Columbia campus, including any facilities providing support for facilities where intercollegiate events are held, and any related infrastructure, administration, maintenance, practice, training, physical therapy and related facilities of the Athletic Department. The University is further authorized by the provisions of Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended (the "Bond Anticipation Note Act") to issue bond anticipation notes.

(b) On October 19, 2001, the Board of Trustees adopted a resolution entitled: "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO" (the "Bond Resolution") as a means of providing for the issuance from time to time of Bonds of a particular series pursuant to the provisions of a Series Resolution of the Board of Trustees, provided all conditions required by the Bond Resolution are met. Such Bonds are payable solely from the Net Revenues and the gross receipts from the imposition of the Admissions Fee and Special Student Fee as such terms are defined in the Bond Resolution.

(c) The Board of Trustees adopted at its regularly scheduled meeting on February 21, 2014, a Series Resolution entitled: "SERIES RESOLUTION PROVIDING FOR THE ISSUANCE AND

SALE OF ATHLETIC FACILITIES REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, IN ONE OR MORE SERIES, TO BE DESIGNATED SERIES 2015A, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$31,500,000 DOLLARS; AUTHORIZING THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SUCH BONDS; AND OTHER MATTERS RELATING THERETO” (the “Series 2015A Resolution”); authorizing the issuance of athletic facilities revenue bonds, the proceeds of which are to be used to make improvements to the Football Stadium Plaza and Athletic Village, which will include a new Soccer Building, improvements to the Track and Field Complex, and modifications to the Field House (the “Project”), and athletic facilities revenue bond anticipation notes subject to the approval of the State Board.

(d) The Series 2015A Resolution authorizes the use of the proceeds of the Series 2015A Bonds (as defined below) for the purposes of: (i) reimbursing the University for capital expenditures previously made in connection with, and paying the costs to construct and equip the Project, including capitalized interest on the Series 2015A Bonds, if any; (ii) funding the Series 2015A Debt Service Reserve Fund or purchasing a debt service reserve fund substitute, if any; and (iii) paying certain costs and expenses relating to the issuance of the Series 2015A Bonds, including a municipal bond insurance premium, if any.

(e) The Board of Trustees has now determined that it is in the interest of the University to request the State Board to approve at this time the issuance of \$31,500,000 Athletic Facilities Revenue Bonds of the University approved by the Board of Trustees on February 21, 2014 (the “Series 2015A Bonds”) the proceeds of which will be used to construct and equip the Project.

Section 1.02

The Bond Resolution and the Series 2015A Resolution, each in the form adopted by the Board of Trustees, have been presented to the State Board.

Section 1.03

The Board of Trustees has determined that all conditions precedent to the issuance of the Series 2015A Bonds, including those required by the Bond Resolution, the Series 2015A Resolution and the Enabling Act, will be met upon the issuance of the Series 2015A Bonds.

Section 1.04

All capitalized terms used, but not defined, in this Resolution shall have the meaning ascribed to such terms in the Bond Resolution and the Series 2015A Resolution.

ARTICLE II

AUTHORIZATION TO ISSUE AND SELL THE SERIES 2015A BONDS AND BOND ANTICIPATION NOTES

Section 2.01

The State Board hereby approves and authorizes the issuance and sale of the Series 2015A Bonds in the principal amount not exceeding \$31,500,000 at public sale or negotiated sale as authorized by the Board of Trustees in Article III and Section 7.01 of, and in the manner and under the conditions prescribed in, the Series 2015A Resolution.

Section 2.02

The State Board also hereby approves and authorizes the issuance and sale of Athletic Facilities Revenue Bond Anticipation Notes, at public sale or negotiated sale, as authorized by the Board of Trustees in Article IX of, and in the manner and under the conditions provided in, the Series 2015A Resolution, in anticipation of the issuance of the Series 2015A Bonds, should the Chief Financial Officer of the University and the State Treasurer determine that it would be in the interest of the University to issue such Bond Anticipation Notes in anticipation of the issuance of the Series 2015A Bonds.

Section 2.03

On the basis of the foregoing, and after due consideration of the facts above recited and other matters appurtenant thereto, this Resolution has been adopted.

Dated: April 30, 2014

STATE BUDGET AND CONTROL BOARD
MEETING of April 30, 2014

REGULAR SESSION
ITEM NUMBER 7

AGENCY: State of South Carolina

SUBJECT: Not Exceeding \$76,000,000 Principal Amount of General Obligation State Highway Refunding Bonds, Series 2014, of the State of South Carolina

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$76,000,000 Principal Amount of General Obligation State Highway Refunding Bonds, Series 2014, of the State of South Carolina.

The proceeds from the sale of the bonds will be used to provide funds which will be used to provide funds to effect the refunding of certain outstanding General Obligation State Highway Bonds and pay the costs of issuance thereof.

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale not exceeding \$76,000,000 Principal Amount of General Obligation State Highway Refunding Bonds, Series 2014, of the State of South Carolina.

ATTACHMENTS:

Pope 4/15/14 letter; Resolution



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April 15, 2014

Mr. Delbert H. Singleton, Jr., Board Secretary
South Carolina Budget and Control Board
Wade Hampton Office Building
1200 Senate Street, Room 612
Columbia, South Carolina 29201

VIA HAND DELIVERY

Re: Not exceeding \$76,000,000 General Obligation State Highway Refunding Bonds,
Series 2014 of the State of South Carolina (the "**Bonds**")

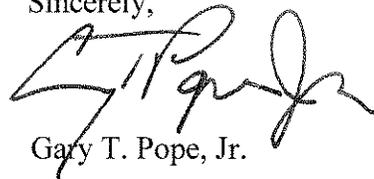
Dear Delbert:

On behalf of the Office of State Treasurer of the State of South Carolina, we hereby respectfully enclose the following with respect to the issuance of the Bonds in preparation for the meeting of the South Carolina Budget and Control Board (the "**State Board**") scheduled on April 30, 2013:

1. Five copies of the Commission of the Department of Transportation's resolution requesting the issuance of the Bonds, to be adopted on April 17, 2014.
2. Five copies of the State Board's resolution regarding the issuance of the Bonds;
and
3. Five copies of a summary of refinancing proposal.

An executed copy of Item 1 will be delivered to you shortly after the adoption thereof by the Commission of the Department of Transportation. We will also be sending you an electronic version of Item 2 listed above so that you may have it revised as necessary. Please let us know if you need anything further or if you have any questions or concerns.

Sincerely,



Gary T. Pope, Jr.

Enclosures

cc: F. Richard Harmon, Jr., Senior Assistant State Treasurer

Summary of Refinancing Proposal for
 Not exceeding \$76,000,000 General Obligation State Highway Refunding Bonds, Series 2014

PRELIMINARY – SUBJECT TO CHANGE

April 15, 2014

Outstanding bonds proposed to be refinanced	General Obligation State Highway Refunding Bonds, Series 2005A
Average interest rate of bonds refinanced	3.56%
Projected average interest rate of refinancing bonds	1.67% (avg. yield)
True interest cost of refinancing bonds	1.81% (all-in TIC)
Projected net present value savings (net of costs)	\$3,240,776
Projected net present value savings as a percentage of the bonds refinanced	4.57%
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	
Underwriting	\$380,000 (0.500%; 11.726%)
Legal fees – bond, disclosure and general counsel	\$51,000 (0.067%; 1.574%)
Rating agency fees	\$64,000 (0.084%; 1.977%)
Advisory fees	\$79,000 (0.104%; 2.438%)
Bond trustee/registrar	\$5,000 (0.007%; 0.154%)
Accounting and verification	\$2,500 (0.003%; 0.077)
Credit enhancement/bond insurance	-
Publication, printing, contingencies and all other expenses	\$10,000 (0.013%; 0.309%)
Total	\$591,558 (0.778%; 18.254%)

Prepared by: Gary T. Pope, Jr. of Pope Zeigler, LLC. The above summary is derived from information provided by the financial advisory firm First Southwest Company and the Office of State Treasurer.

Date: April 15, 2014

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING SEVENTY SIX MILLION DOLLARS (\$76,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE HIGHWAY REFUNDING BONDS, SERIES 2014 OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

Adopted April 30, 2014

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A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING SEVENTY SIX MILLION DOLLARS (\$76,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE HIGHWAY REFUNDING BONDS, SERIES 2014 OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

ARTICLE I

FINDINGS OF FACT

As an incident to the adoption of this resolution (this "Resolution") and the issuance of the bonds provided for herein, the South Carolina Budget and Control Board (the "State Board") finds that the facts set forth in this Article exist, and that the statements made with respect thereto are true and correct. Capitalized terms used herein and not otherwise defined herein have the meanings given to such terms in Article II of this Resolution.

Section 1.01 General Findings of Authorization

(a) The State Board is authorized by Title 57, Chapter 11, Article 3 of the South Carolina Code (the "Enabling Act"), to make provision for the issuance of general obligation state highway bonds ("General Obligation State Highway Bonds") in order to raise funds for highway transportation purposes, or construction and equipment of headquarters administrative facilities, including the refunding of General Obligation State Highway Bonds.

(b) Pursuant to the provisions of a resolution adopted by the Commission of the South Carolina Department of Transportation (the "Commission") on April 17, 2014 (the "Commission Resolution"), the Commission has requested that the State Board authorize and direct the Governor and State Treasurer to issue General Obligation State Highway Bonds to provide funds to effect the refunding of certain outstanding General Obligation State Highway Bonds and pay the costs of issuance thereof.

(c) By the provisions of Title 11, Chapter 21 of the South Carolina Code (the "Refunding Act"), the State and its agencies are permitted to issue general obligation bonds for the purpose of refunding any of their outstanding general obligation bonds in such amounts as shall be required therefor. It is provided by Section 11-21-20 of the Refunding Act that the provisions of Title 11, Chapter 15, Article 5 of the South Carolina Code may be utilized for such purposes.

Section 1.02 Determination of Amount of Bonds Required; Authorization to Issue the Bonds

A review of debt service requirements with respect to currently outstanding General Obligation State Highway Bonds and prevailing market conditions indicates that substantial debt service savings would be achieved through the refunding of portions or all of certain presently outstanding General Obligation State Highway Bonds, including, without limitation, a portion or

all of the presently outstanding principal amount of the original principal amount \$146,495,000 General Obligation State Highway Refunding Bonds, Series 2005A (the "Refunded Bonds").

The principal amount of the refunding bonds required to redeem or defease the Refunded Bonds cannot be determined with precision prior to the sale of the proposed refunding bonds. Such amount may vary, either upward or downward, depending on market conditions on the date such refunding bonds are offered for sale. It is currently estimated that not exceeding \$76,000,000 of refunding bonds would be required to redeem or defease the Refunded Bonds. Due to the fact that substantial debt service savings may be achieved through the issuance of refunding bonds in an amount not exceeding \$76,000,000, the State Board has determined to authorize the issuance of such amount of refunding bonds (the "Bonds"), the final amount to be determined by the State Treasurer in accordance with Section 3.02 hereof upon receipt of bids for the Bonds. A table illustrative of such savings will be prepared and included as a closing document at the delivery of the Bonds.

Section 1.03 Provisions Relating to Debt Limitation

Article X, Section 13(6)(a) of the Constitution of the State of South Carolina, 1895, as amended (the "South Carolina Constitution"), authorizes the issuance of General Obligation State Highway Bonds if such bonds are additionally secured by a pledge of the revenues derived from the "Sources of Revenue," which means such revenues as may be made applicable by the General Assembly for state highway purposes from any and all taxes and licenses imposed on individuals or vehicles for the privilege of using the public highways of the State. Section 57-11-210 of the South Carolina Code defines "Sources of Revenue" to mean the gasoline user fee, the fuel oil user fee, the road tax, and the motor vehicle license tax.

Article X, Section 13(6)(a) of the South Carolina Constitution and the Enabling Act provide that the maximum annual debt service on all General Obligation State Highway Bonds shall not exceed fifteen percent (15%) of the proceeds received from the Sources of Revenue for the fiscal year next preceding.

Exhibit D attached hereto sets forth the revenues derived from the Sources of Revenue during the fiscal year ended June 30, 2013, which totaled \$622,059,034.99. Fifteen percent of such amount is \$93,308,855.25, which is the applicable maximum annual debt service limit applicable to all outstanding General Obligation State Highway Bonds and the Bonds authorized hereby.

Section 1.04 Determination of Compliance with Debt Limitation

The maximum annual debt service on all General Obligation State Highway Bonds outstanding after giving effect to the proposed issue of not exceeding \$76,000,000 of General Obligation State Highway Refunding Bonds, Series 2014 at prevailing rates of interest occurs in fiscal year ending June 30, 2015, in the amount of \$63,593,826.64, and is less than the maximum annual debt service limit of \$93,308,855.25. Therefore, the State Board has determined, that assuming the proposed Bonds bear interest at average rates not significantly in excess of prevailing rates of interest, the Bonds may be issued within the constitutional maximum annual debt service limit.

Section 1.05 Determination of Amount of Bonds Herein Authorized

The State Board finds that it is necessary to raise an amount not to exceed \$76,000,000 through the issuance of General Obligation State Highway Refunding Bonds in order to provide funds which will be used to effect the refunding of the Refunded Bonds and pay the costs of issuance of the Bonds.

[End of Article I]

ARTICLE II

DEFINITIONS AND CONSTRUCTION

Section 2.01 Definitions

As used in this Resolution unless the context otherwise requires, the following terms shall have the following respective meanings:

“Authorized Investments” means and includes any securities that are at the time legal for investment of the State’s funds.

“Authorized Officer” means the Governor, the Secretary of State and the State Treasurer, a deputy or Assistant State Treasurer, and any other officer or employee of the State designated from time to time by the State Treasurer as an Authorized Officer, and when used with reference to any act or document also means any other person authorized by resolution of the State Board to perform such act or sign such document.

“Bond” or “Bonds” means any of the General Obligation State Highway Refunding Bonds authorized by this Resolution to be issued.

“Bondholder” or “Holder” or “Holders of Bonds” or “Owner” or similar term means, when used with respect to a Bond or Bonds, any person who shall be registered as the owner of any Bond Outstanding.

“Bond Payment Date” means each date determined by the State Treasurer on which interest on any of the Bonds shall be payable or on which both the Principal Installment and interest shall be payable on any of the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Undertaking” means that undertaking which is to be executed by the State Treasurer in form substantially similar to that appearing as Exhibit G hereto, and delivered at or prior to the closing of the Bonds as required by United States Securities and Exchange Commission Rule 15c2-12, as amended, and as such undertaking may be from time to time amended in accordance with the terms thereof.

“Corporate Trust Office”, when used with respect to any Paying Agent, Registrar, or Escrow Agent, means the office at which its principal corporate trust business shall be administered.

“Dated Date” means such date as the State Treasurer shall determine to be the date of issue of the Bonds.

“Enabling Act” means Title 57, Chapter 11, Article 3 and Title 11, Chapters 21 and 27 of the Code of Laws of South Carolina, 1976, as amended.

“Escrow Agent” means the entity or entities, as the case may be, designated by the State Treasurer to serve as escrow agent or escrow agents pursuant to one or more escrow deposit agreements.

“Fiduciary” means the Paying Agent, the Registrar, and any Escrow Agent and their successors and assigns.

“Fiscal Year” means the period of twelve (12) calendar months, beginning July 1 of each year and ending on June 30 of the next year.

“Government Obligations” means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

“Governor” means the Governor of the State of South Carolina.

“Outstanding” means, when used in this Resolution with respect to Bonds, as of any date, all Bonds theretofore authenticated and delivered pursuant to this Resolution except:

(i) any Bond cancelled or delivered to the Registrar for cancellation on or before such date;

(ii) any Bond (or any portion thereof) deemed to have been paid in accordance with the provisions of Section 7.01 hereof; and

(iii) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to Section 3.11 of this Resolution.

“Paying Agent” means any bank, trust company, or national banking association which is authorized to pay the principal or Redemption Price of or interest on any Bonds, and having the duties, responsibilities and rights provided for in this Resolution, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Paying Agent may also act as Registrar.

“Person” means an individual, a partnership, a corporation, a trust, a trustee, an unincorporated organization, or a government or an agency or political subdivision thereof.

“Principal Installment” means, as of any date of calculation, the principal amount of all Bonds due on a specified date.

“Private Business Use” means “private business use” as that term is defined in Section 141 of the Code, any successor provision and any regulations promulgated thereunder.

“Record Date” means the 15th day immediately preceding each Bond Payment Date.

“Redemption Price” when used with respect to a Bond or portion thereof to be redeemed, means the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Resolution.

“Registrar” means any bank, trust company, or national banking association which is authorized to maintain an accurate list of those who from time to time shall be the Holders of the Bonds, and shall effect the exchange and transfer of Bonds in accordance with the provisions of this Resolution and having the duties, responsibilities, and rights provided for in this Resolution and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Registrar may also act as Paying Agent.

“Resolution” means this Resolution, as the same may be amended or supplemented from time to time in accordance with the terms hereof.

“Secretary of State” means the Secretary of State of the State of South Carolina.

“Series” or “Series of Bonds” means a series of Bonds issued pursuant to the authorizations of the Enabling Act and this Resolution.

“South Carolina Code” means the Code of Laws of South Carolina, 1976, as amended.

“State” means the State of South Carolina.

“State Board” means the South Carolina Budget and Control Board.

“State Request” means a written request of the State signed by an Authorized Officer.

“State Treasurer” means the Treasurer of the State of South Carolina.

“Taxable Series” means a Series of Bonds so designated by the State Treasurer, the interest upon which is not excludable from income for federal income tax purposes.

Section 2.02 Construction

In this Resolution, unless the context otherwise requires:

(a) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Resolution.

(b) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms refer to this Resolution, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of adoption of this Resolution.

(c) Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

(d) Any Fiduciary shall be deemed to hold an Authorized Investment in which money is invested pursuant to the provisions of this Resolution, even though such Authorized Investment is evidenced only by a book entry or similar record of investment.

[End of Article II]

ARTICLE III

ISSUANCE OF BONDS

Section 3.01 Direction to Governor and State Treasurer

The Governor and the State Treasurer are hereby directed to effect the issuance of not to exceed \$76,000,000 principal amount of General Obligation State Highway Refunding Bonds in accordance with the provisions of this Resolution.

Section 3.02 Ordering the Issuance of Bonds; Redemption of Refunded Bonds

Pursuant to the provisions of the Enabling Act, and for the purposes set forth in Section 1.02 hereof, there shall be issued not exceeding Seventy-Six Million Dollars (\$76,000,000) aggregate principal amount general obligation bonds of the State, designated "General Obligation State Highway Refunding Bonds, Series 2014." The Bonds may be issued as a single Series or in two or more separate Series or may be issued in combination with other issues of State general obligation bonds, as determined by the State Treasurer. Each Series of Bonds issued hereunder shall be given a unique series identifier determined by the State Treasurer. The State Treasurer is hereby authorized to determine the principal amount of the Bonds of each Series, the Dated Date of each Series and the series designation for each Series. References in this Resolution to "Bonds" shall mean, where appropriate, Bonds of a Series. Upon the issuance of the Bonds, the State will redeem the Refunded Bonds. The State Treasurer is hereby authorized to direct the Paying Agent for the Refunded Bonds to cause the appropriate notice of redemption to be transmitted to the Holders of the Refunded Bonds.

Section 3.03 Maturity Schedule of Bonds

The Bonds shall mature in each of the Fiscal Years and in the Principal Installments determined by the State Treasurer, provided that the term of a Series of Bonds does not exceed 25 years and the aggregate principal amount of Bonds issued hereunder does not exceed \$76,000,000. The Bonds shall bear interest at rates determined in the manner prescribed by Section 3.16 hereof. The State Treasurer is hereby authorized to adjust the maturity schedule as to the principal amount maturing in a particular year and as to the dates on which the principal is to be repaid in order to (i) limit net Bond proceeds; (ii) maintain compliance with constitutional and statutory debt limitations; (iii) maintain level annual debt service within each Fiscal Year; and (iv) achieve a more favorable interest rate at the sale of the Bonds.

Section 3.04 Provision for Payment of Interest on the Bonds

The Bonds shall be authenticated on such dates as they shall, in each case, be delivered. The Bonds shall bear interest from the Bond Payment Date to which interest has been paid next preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date, in which case, from such authentication date, or if authenticated prior to the first Bond Payment Date for the Bonds, then from the Dated Date. The interest to be paid on any Bond Payment Date shall be paid to the Person in whose name such Bond is registered at the close of business on the Record Date next preceding such Bond Payment Date.

Section 3.05 Medium of Payment; Form and Denomination of Bonds; Place of Payment of Principal

(a) The Bonds shall be payable as to Principal Installment, Redemption Price and interest at the rates per annum determined in the manner prescribed by Section 3.16 hereof (on the basis of a 360-day year of twelve 30-day months) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) The Bonds shall be issued in the form of fully registered Bonds. The Bonds shall be issued in the denomination of \$5,000 or any whole multiple thereof, not exceeding the principal amount of the Bonds maturing in such year. The Bonds shall be numbered from R-1 upwards in such fashion as to maintain a proper record thereof.

(c) The Principal Installment or Redemption Price of all Bonds shall be payable at the Corporate Trust Office of the Paying Agent and payment of the interest on each Bond shall be made by the Paying Agent to the Person appearing on each Record Date on the registration books of the State, which books shall be held by the Registrar as provided in Section 3.09 hereof, as the registered Owner thereof, by check or draft mailed to such registered Owner at his address as it appears on such registration books in sufficient time to reach such registered Owner on the Bond Payment Date. Payment of the Principal Installment or Redemption Price of all Bonds shall be made upon the presentation and surrender for cancellation of such Bonds as the same shall become due and payable.

Section 3.06 Agreement to Maintain Registrar and Paying Agent

As long as any of the Bonds of a Series remain Outstanding there shall be a Registrar and a Paying Agent for such Series, each of which shall be a financial institution maintaining Corporate Trust Offices where (i) the Bonds may be presented for registration of transfers and exchanges, (ii) notices and demands to or upon the State in respect of the Bonds may be served, and (iii) the Bonds may be presented for payment, exchange and transfer. The State Treasurer is hereby authorized to determine the institution which shall initially exercise the functions of Registrar and Paying Agent. In the event that the Bonds are issued in two or more Series, references in this Resolution to the Registrar and Paying Agent shall mean the Registrar and Paying Agent for a given Series.

Section 3.07 Execution and Authentication

(a) The Bonds shall be executed in the name and on behalf of the State by the manual or facsimile signatures of the Governor and of the State Treasurer, attested by the manual or facsimile signature of the Secretary of State with the Great Seal of the State (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon, and attested by the Secretary of State. Bonds bearing the manual or facsimile signature of any Person who shall have been such an Authorized Officer at the time such Bonds were so executed shall bind the State notwithstanding the fact that he may have ceased to be such Authorized Officer prior to the authentication and delivery of such Bonds or was not such Authorized Officer at the date of the authentication and delivery of the Bonds.

(b) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication in the form set forth in the form of the Bond attached to this Resolution as Exhibit F, duly executed by the manual signature of the Registrar and such certificate of authentication upon any Bond executed on behalf of the State shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of this Resolution.

Section 3.08 Exchange of Bonds

Bonds, upon surrender thereof at the Corporate Trust Office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Holder or his duly authorized attorney, may, at the option of the registered Holder thereof, be exchanged for an equal aggregate principal amount of Bonds in authorized denominations of the same interest rate and maturity. So long as any of the Bonds remain Outstanding, the State shall make all necessary provisions to permit the exchange of the Bonds at the Corporate Trust Office of the Registrar.

Section 3.09 Transferability and Registry

All Bonds shall at all times, when the same are Outstanding, be payable, both as to Principal Installment, Redemption Price and interest to a Person, and shall be transferable, only in accordance with the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds remain Outstanding, the State shall maintain and keep, at the Corporate Trust Office of the Registrar, books for the registration and transfer of Bonds, and, upon presentation thereof for such purpose at the Corporate Trust Office of the Registrar, the State shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Registrar may prescribe, any Bond, except that under no circumstances shall any Bond be registered or transferred to bearer. So long as any of the Bonds remain Outstanding, the State shall make all necessary provisions to permit the transfer of Bonds at the Corporate Trust Office of the Registrar.

Section 3.10 Transfer of Bonds

Each Bond shall be transferable only upon the books of the State, which shall be kept for such purpose at the Corporate Trust Office of the Registrar, upon presentation and surrender thereof by the Holder of such Bond or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of any such Bond, the State shall execute and the Registrar shall authenticate and deliver, in the name of the Person who is the transferee, one or more new Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond. All action taken by the Registrar pursuant to this section shall be deemed to be the action of the State.

Section 3.11 Regulations with Respect to Exchanges and Transfers

All Bonds surrendered in any exchanges or transfers shall forthwith be cancelled by the Registrar. For each such exchange or transfer of the Bonds, the State or the Registrar may make

a charge sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The State shall not be obligated to (i) issue, exchange or transfer any Bond during the 15 days next preceding any Bond Payment Date, (ii) issue, exchange or transfer any Bonds during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption, or (iii) transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 3.12 Mutilated, Destroyed, Lost and Stolen Bonds

(a) If any mutilated Bond is surrendered to the Registrar and the Registrar or the State receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and there is delivered to the Registrar or the State such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice that such Bond has been acquired by a bona fide purchaser, the State shall execute, and upon State Request, the Registrar shall authenticate and deliver, in exchange for any such mutilated Bond or in lieu of any such destroyed, lost or stolen Bond, a new Bond of like tenor, principal amount and redemption provisions, bearing a number unlike that of a Bond contemporaneously Outstanding. The Registrar shall thereupon cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the State in its discretion may, instead of issuing a new Bond, pay such Bond.

(b) Upon the issuance of any new Bond under this Section 3.12, the State may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees or other fees, of the State or the Registrar connected therewith.

(c) Each new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond shall constitute an additional contractual obligation of the State, whether or not the destroyed, lost or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued pursuant to this Resolution. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section 3.13 Holder as Owner of Bond

The State, the Registrar and any Paying Agent may treat the Holder of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal Installment or Redemption Price of and interest on such Bond and for all other purposes, and payment of the Principal Installment or Redemption Price and interest shall be made only to, or upon the order of, such Holder. All payments to such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the

extent of the sum or sums so paid, and neither the State nor any Paying Agent shall be affected by any notice to the contrary.

Section 3.14 Cancellation of Bonds

The Registrar shall destroy all Bonds surrendered to it for cancellation and shall deliver a certificate to that effect to the State. No such Bonds shall be deemed Outstanding under this Resolution and no Bonds shall be issued in lieu thereof.

Section 3.15 Payments Due on Saturdays, Sundays and Holidays

In any case where the Bond Payment Date or redemption date shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of the Redemption Price, interest on or Principal Installment of the Bonds need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the Bond Payment Date and no interest shall accrue for the period after such date.

Section 3.16 Conditions Relating to Naming of Interest Rates

The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds reflect the lowest interest cost to the State, but:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
- (b) no rate of interest named shall be more than six (6.00) percentage points;
- (c) each interest rate named shall be a multiple of 1/8th or 1/20th of one (1) percentage point; and
- (d) any premium offered must be paid in cash as part of the purchase price for a Series of Bonds;

provided, however, that the State Treasurer may determine, in his discretion and upon advice received, to waive, modify, amend, or vary the conditions described above (whether prior to the offer for sale of the Bonds, or subsequent to such offer but prior to the award of the Bonds), in order to (i) limit net bond proceeds, (ii) maintain compliance with constitutional and statutory debt limitations, (iii) maintain level annual debt service within each Fiscal Year, (iv) achieve a more favorable interest rate at the sale of the Bonds, and (v) establish a maximum interest rate or maximum interest rates as necessary to maintain compliance with the provisions of the Enabling Act. In addition to the foregoing, the State Treasurer may establish additional terms and conditions for the sale of the Bonds, not inconsistent herewith, prior to the publication of the Notice of Sale (as defined herein).

Section 3.17 Tax Exemption in South Carolina

Both the Principal Installment and interest on the Bonds shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed by the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes.

Section 3.18 Pledge of Full Faith, Credit and Taxing Power and Sources of Revenue

For the payment of the Principal Installment and interest on the Bonds as the same respectively mature, the full faith, credit and taxing power of the State and all monies derived from the Sources of Revenue are hereby irrevocably pledged, and the General Assembly has allocated on an annual basis sufficient tax revenues to provide for the punctual payment of the Principal Installments and interest on the Bonds. In accordance with the provisions of Article X, Section 13, Paragraph 4 of the South Carolina Constitution, the General Assembly must allocate on an annual basis sufficient tax revenues to provide for the punctual payment of Principal Installments of and interest on the Bonds. If any time any payment of Principal Installment of or interest on the Bonds shall not be paid as and when the same become due and payable, the State Comptroller General shall forthwith levy and the State Treasurer shall collect an *ad valorem* tax without limit as to rate or amount upon all taxable property within the State sufficient to meet the payment of the Principal Installments of and interest on the Bonds then due.

Section 3.19 Bonds Issued in Book-Entry Only Form

(a) Unless otherwise determined by the State Treasurer, the Bonds will initially be issued under a book-entry only system in fully registered form, registered in the name of Cede & Co. as the registered owner and securities depository nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as initial securities depository for the Bonds. So long as the Bonds are being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bonds will be effected pursuant to rules and procedures established by such securities depository. DTC and any successor securities depositories are hereinafter referred to as the “Securities Depository.” Cede & Co. and successor securities depository nominees are hereinafter referred to as the “Securities Depository Nominee.”

(b) So long as a book-entry system is in effect for the Bonds, the Securities Depository Nominee will be recognized as the Holder of the Bonds for the purposes of (i) paying the Principal Installment or Redemption Price of and interest on such Bonds, (ii) if Bonds are to be redeemed in part, selecting the portions of such Bonds to be redeemed, (iii) giving any notice permitted or required to be given to Bondholders under this Resolution, (iv) registering the transfer of Bonds, and (v) requesting any consent or other action to be taken by the Holders of such Bonds, and for all other purposes whatsoever, and the State shall not be affected by any notice to the contrary.

(c) The State shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in any Bonds which are registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as Holder of such Bonds.

(d) The State shall pay the Principal Installment, Redemption Price, and interest on Bonds issued under a book-entry system only to the Securities Depository or the Securities Depository Nominee, as the case may be, for such Bonds, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the Principal Installment or Redemption Price of and interest on such Bonds.

(e) In the event that the State determines that it is in the interest of the State to discontinue the book-entry system of transfer for the Bonds, or that the interests of the beneficial owners of the Bonds may be adversely affected if the book-entry system is continued, then the State shall notify the Securities Depository of such determination. In such event, the Registrar and Paying Agent shall authenticate, register and deliver physical certificates for the Bonds in exchange for the Bonds registered in the name of the Securities Depository Nominee.

(f) In the event that the Securities Depository for the Bonds discontinues providing its services, the State shall either engage the services of another Securities Depository or arrange with a Registrar and Paying Agent for the delivery of physical certificates in the manner described in subsection (e) above.

(g) In connection with any notice or other communication to be provided to the Holders of Bonds by the State or by the Registrar and Paying Agent with respect to any consent or other action to be taken by the Holders of Bonds, the State or the Registrar and Paying Agent, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository Nominee notice of such record date not less than 15 days in advance of such record date to the extent possible.

(h) At the closing of the Bonds and the delivery of the same to the purchaser thereof through the facilities of DTC, the Paying Agent and Registrar may maintain custody of Bond certificates on behalf of DTC in accordance with DTC's "FAST" closing procedures.

(i) For as long as the Bonds are being held under a book-entry system of a securities depository, the State shall remit to the Paying Agent and Registrar by 1:00 p.m. New York time on each Bond Payment Date funds for all principal and interest payments due thereupon, or at such earlier time as required by the Paying Agent and Registrar to guarantee that DTC or successor Securities Depository will receive payment in same-day funds by 2:30 p.m. New York time on such Bond Payment Date. In addition, automated payment details receipt shall be provided by the Paying Agent by 12:00 noon New York time of each Bond Payment Date for interest payments and by 2:30 p.m. New York time for redemption and corporate action payments.

Section 3.20 Form of Bonds

The form of the Bonds, and registration provisions to be endorsed thereon shall be substantially as set forth in Exhibit F attached hereto and made a part of this Resolution.

Section 3.21 Borrowing in Anticipation of Issuance of Bonds

Pursuant to Title 11, Chapter 17 of the South Carolina Code (the “BAN Act”), there may be issued from time to time at the discretion of the Governor and the State Treasurer bond anticipation note or notes (“BANs”) in aggregate principal amount not exceeding \$76,000,000 in anticipation of the issuance of Bonds. If BANs are issued and, if, upon maturity thereof, the Governor and the State Treasurer should determine that further issuance of BANs rather than the Bonds would be in the best interest of the State under the prevailing market conditions, the Governor and the State Treasurer are authorized to continue the issuance of the BANs, in a principal amount not to exceed \$76,000,000 until the State Treasurer and the Governor determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

(a) The BANs shall be dated and bear interest from the Dated Date thereof, payable upon the stated maturity thereof and shall mature on such dates as determined by the State Treasurer; provided that no BAN shall mature on a date which is later than one year following the issuance thereof. Interest on the BANs shall be calculated on the basis of a 360-day year of twelve 30-day months. The BANs shall be payable, both as to principal and interest, in legal tender upon maturity, at the principal office of the Paying Agent. The BANs may be issued in denominations of \$5,000 and integral multiples thereof. The BANs shall be executed in the name and on behalf of the State by the manual or facsimile signature of the Governor and of the State Treasurer with the Great Seal of the State (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon and attested by the Secretary of State. BANs bearing the manual or facsimile signature of any Person who shall have been such an Authorized Officer at the time such BANs were so executed shall bind the State notwithstanding the fact that he may have ceased to be such Authorized Officer prior to the authentication and delivery of such BANs or was not such Authorized Officer at the date of the authentication and delivery of the BANs.

(b) The State Treasurer shall appoint a financial institution maintaining corporate trust offices to serve as Registrar and Paying Agent for the BANs.

(c) The State Board hereby authorizes the State Treasurer to cause to be prepared and to “deem final” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission a preliminary official statement relating to the BANs and to cause to be prepared and to approve a final official statement following the sale of the BANs. The State Board hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the BANs. If the BANs are offered and sold to a financial institution to be held for its own account, the State Treasurer will not be required to prepare a preliminary official statement or final official statement if such purchaser executes and delivers an investment letter in form and content acceptable to the State Treasurer.

(d) The BANs may be sold at public or private sale. Bids therefor shall be received until such time and date to be selected by the State Treasurer. Notice of sale of the BANs shall be given in a manner determined by the State Treasurer. Upon receipt of bids for the BANs, the Governor and the State Treasurer shall, and they are hereby authorized to, award the BANs to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the notice of sale and determined at the State Treasurer’s discretion, without further

action on the part of the State Board if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award.

(e) The BANs shall be issued in such form and with such terms and conditions, not inconsistent with this Resolution, as shall be determined by the State Treasurer. No BAN shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such BAN a certificate of authentication duly executed by the manual signature of the Registrar and such certificate of authentication upon any BAN executed on behalf of the State shall be conclusive evidence that the BAN so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of the Resolution.

(f) The BANs shall be issued in fully registered form either (i) under a book-entry only system, registered in the name of Cede & Co. as the registered owner and securities depository nominee of DTC, or (ii) in physical form registered the name of the Holder, as specified by the Governor and the State Treasurer, who may permit the purchaser to make such determination. Conditions as to ownership, exchange, transfer, replacement and payment of BANs shall be as provided for Bonds herein, except as expressly provided in this Resolution to the contrary. The BANs may, at the discretion of the State Treasurer, be subject to redemption prior to their stated maturity, on such terms and conditions as the State Treasurer may prescribe, except that the maximum premium to be paid for prior redemption shall not exceed one half of one per centum (1/2%).

(g) For the payment of the principal of and interest on the BANs as the same shall fall due, the full faith, credit, and taxing power of the State shall be pledged. In addition thereto, so much of the principal proceeds of the Bonds when issued shall and is hereby directed to be applied, to the extent necessary, to the payment of the BANs; and, further, the State covenants and irrevocably pledges to effect the issuance of the Bonds or, in the alternative, to refund or renew Outstanding BANs in order that the proceeds thereof will be sufficient to provide for the retirement of any BANs issued pursuant hereto.

(h) Proceeds from the sale of the BANs shall be applied in the manner as provided by Section 6.01 herein for Bonds.

(i) Both the principal of and interest on the BANs shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except estate or other transfer taxes, and certain fees or franchise taxes.

(j) The form of the BAN shall be approved by the State Treasurer.

(k) Without limiting the generality or specifics of any other provision in this Resolution, the term "Bonds" as used in Articles VIII, IX and X shall include BANs.

[End of Article III]

ARTICLE IV

REDEMPTION OR PURCHASE OF BONDS

Section 4.01 Authorization of Redemption

The Bonds may be subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State Treasurer upon such dates and at such Redemption Prices as shall be determined by the State Treasurer.

Section 4.02 State's Election to Redeem

In the event that the State shall elect to redeem Bonds, it shall give notice by State Request to the Registrar and Paying Agent of each optional redemption, which notice may be conditional in the discretion of the State Treasurer. Each State Request shall specify the date fixed for redemption and the Bonds which are to be redeemed. Such notice shall be given at least 60 days prior to the date fixed for redemption or such lesser number of days as shall be acceptable to the Registrar.

Section 4.03 Notice of Redemption

(a) When any Bonds are to be redeemed, the Registrar shall give notice of the redemption of the Bonds in the name of the State specifying: (i) the Bonds, the particular Series thereof, and maturities to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers and other distinguishing marks of the Bonds to be redeemed unless all of the Bonds Outstanding are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; (vi) whether the redemption of the Bonds is conditioned upon any event; and (vii) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section unless such condition has been satisfied as of the redemption date. The Registrar shall mail by registered mail a copy of such notice, postage prepaid, not less than 30 days before the redemption date to the registered Holders of all the Bonds or portions of the Bonds which are to be redeemed at their addresses which appear upon the registration books, but failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of the Bonds held by Holders to whom written notice has been mailed. The obligation of the Registrar to give the notice required by this Section shall not be conditioned upon the prior payment to the Paying Agent of money or the delivery to the Paying Agent of Authorized Investments or Government Obligations sufficient to pay the Redemption Price of the Bonds to which such notice relates or the interest thereon to the redemption date.

(b) Notice of redemption having been given as provided in subsection (a) hereof, the Bonds or portions thereof so to be redeemed shall, on the date fixed for redemption, become due and payable at the Redemption Price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or portions thereof shall be paid at the Redemption Price, plus accrued interest to the redemption date; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section unless such condition has been satisfied as of the redemption date. On and after the redemption date (unless the State shall default in the payment of the Redemption Price and accrued interest, or any conditional provision in the notice shall not have been satisfied as of the redemption date), such Bonds shall cease to bear interest, and such Bonds shall no longer be considered as Outstanding hereunder. If money sufficient to pay the Redemption Price and accrued interest has not been made available by the State to the Paying Agent on the redemption date, such Bonds shall continue to bear interest until paid at the same rate as they would have borne, had they not been called for redemption, until the same shall have been paid.

Section 4.04 Selection by Registrar of Bonds to be Redeemed

(a) If less than all of the Bonds of like maturity are to be redeemed, the particular Bonds or portions of the Bonds to be redeemed shall be selected, not less than 45 days prior to the date fixed for redemption, by the Registrar by lot or in such other manner as the Registrar may deem to be appropriate, provided, however, that for so long as the Bonds are held in book-entry only form, the selection of Bonds to be redeemed hereunder shall be in accordance with the rules of the Securities Depository.

(b) In making such selection, the Registrar shall treat each Bond to be redeemed as representing that number of Bonds of the lowest authorized denomination as is obtained by dividing the principal amount of such Bond by such denomination. If any Bond is to be redeemed in part, the portion to be so redeemed shall be in a principal amount of an authorized denomination.

(c) The Registrar shall promptly notify the State in writing of the Bonds so selected for redemption.

Section 4.05 Deposit of Redemption Price

On or before any date fixed for redemption of any Bonds, cash and/or a principal amount of non-callable Government Obligations maturing or redeemable at the option of the Holder thereof not later than the date fixed for redemption which, together with income to be earned on such Government Obligations prior to such date fixed for redemption, will be sufficient to provide cash to pay the Redemption Price of and accrued interest on all Bonds or portions thereof which are to be redeemed on such date, shall be deposited with the Paying Agent unless such amount shall have been previously deposited with the Paying Agent. Provided, however, that in the event of a conditional redemption such condition is not met, this Section 4.05 is inapplicable.

Section 4.06 Partial Redemption of Bonds

In the event part but not all of a Bond Outstanding shall be selected for redemption, upon presentation and surrender of such Bond by the Holder thereof or his attorney duly authorized in writing (with, if the State or the Registrar so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the State and the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) to the Registrar, the State shall execute and the Registrar shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of any authorized denomination of like tenor. Bonds so presented and surrendered shall be cancelled in accordance with Section 3.14 hereof.

Section 4.07 Purchases of Bonds Outstanding

Purchases of Bonds Outstanding may also be made by the State at any time with money available to it from any source. Upon any such purchase the State shall deliver such Bonds to the Registrar for cancellation.

[End of Article IV]

ARTICLE V

SALE OF BONDS

Section 5.01 Determination of Time to Receive Bids; Form of Notice of Sale

(a) The Bonds shall be sold at public sale on such terms as may be prescribed by the State Treasurer. Bids shall be received until such time and date to be selected by the State Treasurer. The form of the notice of sale shall be substantially similar to that set forth in Exhibit E attached hereto (the "Notice of Sale") and made a part hereof. The Notice of Sale, or, at the election of the State Treasurer, a summary thereof, shall be published in a financial paper published in the City of New York, New York, which regularly publishes notices of sale of state or municipal bonds, which Notice of Sale shall each appear at least once and not less than seven (7) days before the date set for said sale. The Notice of Sale may be combined with a notice of sale for other general obligation bonds of the State being offered for sale at the same time, if any.

(b) The Bonds authorized hereby, if so determined by the State Treasurer, may be issued in the form of a single instrument, subject to the following terms and conditions: (i) the Dated Date of the Bond shall be the date determined by the State Treasurer, and the Bond shall bear interest from such date; (ii) the references to "Bonds" throughout the Resolution shall be understood to refer to the single instrument authorized by this Section 5.01(b); (iii) the State Treasurer may require that the Bond bear a single, fixed rate of interest; (iv) the form of the Bonds as set forth in Exhibit F hereto and the Notice of Sale as set forth in Exhibit E hereto shall be appropriately modified; (v) the State Treasurer may determine that the State will not undertake any obligation to deliver a Continuing Disclosure Undertaking as provided in Exhibit G hereto; (vi) the State Treasurer may determine that the Bond shall not be issued in book-entry-only form, and, in lieu thereof, shall be registered directly in the name of the Holder as directed by the purchaser thereof; and (vii) the State Treasurer may determine that an official statement shall not be prepared in connection with the sale of the Bond.

(c) The BANs authorized hereby, if so determined by the State Treasurer, may be issued in the form of a single instrument, subject to the following terms and conditions: (i) the Dated Date of the BAN shall be the date determined by the State Treasurer, and the BAN shall bear interest from such date; (ii) the references to "BANs" throughout this Resolution shall be understood to refer to the single instrument authorized by this Section 5.01(c); (iii) the State Treasurer may require that the BAN bear a single, fixed rate of interest; (iv) the State Treasurer may determine that the State will not undertake any obligation to deliver a Continuing Disclosure Undertaking as provided in Exhibit G hereto; (v) the State Treasurer may determine that the BAN shall not be issued in book-entry-only form, and, in lieu thereof, shall be registered directly in the name of the Holder as directed by the purchaser thereof; and (vi) the State Treasurer may determine that an official statement shall not be prepared in connection with the sale of the BAN.

Section 5.02 Award of Bonds

Upon receipt of bids for the Bonds, the Governor and the State Treasurer shall, and they are hereby authorized to, award the Bonds to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the Notice of Sale and determined at the State Treasurer's discretion, without further action on the part of the State Board if the Governor

and the State Treasurer shall determine that it is in the interest of the State to make such award. The State shall have the right to reject all proposals and to re-advertise the Bonds for sale. Any proposal not conforming to the Notice of Sale may be rejected, but the State shall have the right to waive technicalities.

Section 5.03 Official Statement

The State Board hereby authorizes the State Treasurer to prepare or cause to be prepared and to “deem final,” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, a preliminary official statement relating to the Bonds and to prepare or cause to be prepared and to approve a final official statement following the sale of the Bonds. The State Board hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the Bonds.

Section 5.04 Combined Sales

If the State Treasurer deems it prudent, the Bonds may be sold in combination with other series of general obligation bonds of the State, the issuance of which shall have been properly authorized and the form and details for which may be provided for in the same preliminary official statement and same final official statement as that for the Bonds.

[End of Article V]

ARTICLE VI

DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments

(a) The proceeds derived from the sale of the Bonds shall be applied and disposed of as follows:

(i) accrued interest, if any, shall be applied to the payment of the first installment of interest to become due on the Bonds;

(ii) premium, if any, shall be applied as determined by the State Treasurer;
and

(iii) the remaining proceeds of the Bonds shall be deposited with the State Treasurer who shall apply the proceeds for the purposes set forth in Section 1.05 hereof.

(b) Pending the use of Bond proceeds as provided in Section 6.01(a) of this Section, the same shall be invested and reinvested by the State Treasurer in Authorized Investments. The investment earnings therefrom may be used either for any lawful purpose of the State, including for the purposes described in Section 6.01(a) above, or, if so required by the Code, to make any necessary rebate to the United States Government.

(c) Neither the purchaser of the Bonds nor any registered Holder of the Bonds shall be liable for the proper application of the proceeds of the Bonds.

[End of Article VI]

ARTICLE VII

DEFEASANCE OF BONDS

Section 7.01 Discharge of Resolution; Where and How Bonds Are Deemed to Have Been Paid and Defeased

If all of the Bonds issued pursuant to this Resolution, and all interest thereon shall have been paid and discharged, then the obligations of the State under this Resolution and all other rights granted herein shall cease and determine. The Bonds shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances, viz.:

(a) An Escrow Agent shall hold, at the stated maturities of the Bonds, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of the Principal Installment and interest thereof; or

(b) The Escrow Agent shall hold in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with said Escrow Agent at the same time, shall be sufficient to pay when due the principal of and interest on the Bonds or BANs, as applicable; or

(c) If default in the payment of the principal of the Bonds or the interest thereon shall have occurred on any Bond Payment Date, and thereafter tender of such payment shall have been made, and at such time as the Escrow 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

(d) If the State shall elect to provide for the payment of the Bonds prior to their stated maturities and shall have deposited with the Escrow Agent in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with said Escrow Agent at the same time, shall be sufficient to pay when due the Principal Installment or Redemption Price to become due on their maturity dates or redemption dates, as the case may be, on the Bonds on and prior to their maturity dates or redemption dates, and interest due on the Bonds on or prior to their maturity or redemption dates, as the case may be. In the event that the State shall elect to redeem Bonds prior to their stated maturities, the State shall proceed in the manner prescribed by Article IV hereof, subject to the provisions of Section 3.19 in the event that at the time of such election the Bonds Outstanding are issued in book-entry only form.

Neither the Government Obligations nor moneys deposited with the Escrow Agent pursuant to this Section nor the principal or interest payments thereon shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Principal Installment or Redemption Price, and interest on said Bonds; provided, however, that any cash received from such principal or interest payments on Government Obligations deposited with the Escrow Agent, if not then needed for such purpose, shall, to the extent practicable, be invested and reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the Principal Installment or Redemption Price, and interest to become due on said Bonds on

and prior to the maturity date or redemption date thereof, as the case may be, and interest earned from such reinvestments not required for the payment of the Principal Installment or Redemption Price, and interest may be paid over to the State, as received by the Escrow Agent, free and clear of any trust, lien or pledge.

Section 7.02 Notice of Defeasance

Upon the defeasance of the Bonds, all notices required by the South Carolina Code, and the Continuing Disclosure Undertaking shall be given.

[End of Article VII]

ARTICLE VIII

CONCERNING THE FIDUCIARIES

Section 8.01 Fiduciaries; Appointment and Acceptance of Duties

Each Fiduciary shall accept the duties and trusts imposed upon it by this Resolution and shall agree in writing to perform such trusts but only upon the terms and conditions set forth in this Article VIII. Similarly, each financial institution appointed as a successor Registrar, a successor Paying Agent, or successor Escrow Agent shall signify its acceptance of the duties and trusts imposed by this Resolution by a written acceptance. All references in this Article VIII to Bonds shall also be applicable to BANs issued hereunder.

Section 8.02 Responsibilities of Fiduciaries

The recitals of fact herein and in the Bonds contained shall be taken as the statements of the State and no Fiduciary assumes any responsibility for the correctness of the same except in respect of the authentication certificate of the Registrar endorsed on the Bonds. No Fiduciary makes any representations as to the validity or sufficiency of this Resolution or of any Bonds or as to the security afforded by this Resolution, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof or to advance any of its own moneys, unless indemnified to its reasonable satisfaction. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Section 8.03 Evidence on Which Fiduciaries May Act

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the State, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(c) Except as otherwise expressly provided in this Resolution any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the State to any Fiduciary shall be sufficiently executed if executed in the name of the State by an Authorized Officer.

Section 8.04 Compensation

The State shall pay to each Fiduciary from time to time reasonable compensation based on the then standard fee schedule of the Fiduciary for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution; provided, however, that any specific agreement between the State and a Fiduciary with respect to the compensation of such Fiduciary shall control the compensation to be paid to such Fiduciary.

Section 8.05 Certain Permitted Acts

Any Fiduciary may become the Owner or underwriter of any Bonds, notes or other obligations of the State or conduct any banking activities with respect to the State, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to effect or aid in, any reorganization growing out of the enforcement of the Bonds or this Resolution.

Section 8.06 Resignation of Any Fiduciary

Any Fiduciary may at any time resign and be discharged of the duties and obligations created by this Resolution by giving not less than 60 days written notice to the State and not less than 30 days written notice to the Holders of the Bonds as established by the books of registration prior to the next succeeding Bond Payment Date and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the State pursuant to Section 8.08 hereof in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor has been appointed.

Section 8.07 Removal of Fiduciary

Any Fiduciary may be removed at any time by an instrument or concurrent instruments in writing, filed with the State and such Fiduciary and, as the case may be, signed by an Authorized Officer or the Bondholders representing a majority in principal amount of the Bonds then Outstanding or their attorneys in fact duly authorized, excluding any Bonds held by or for the account of the State.

Section 8.08 Appointment of Successor Fiduciaries

(a) In case any Fiduciary hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the State Treasurer. Every such

Fiduciary appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State, having a stockholders' equity of not less than \$75,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable and customary terms.

(b) If in a proper case, no appointment of a successor Fiduciary shall be made by the State Treasurer pursuant to the foregoing provisions of this Section within 45 days after any Fiduciary shall have given to the State Treasurer written notice as provided in Section 8.06 hereof or after a vacancy in the office of such Fiduciary shall have occurred by reason of its removal or inability to act, the former Fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor.

Section 8.09 Transfer of Rights and Property to Successor

Any successor Fiduciary appointed under this Resolution shall execute, acknowledge and deliver to its predecessor, and also to the State, an instrument accepting 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 such predecessor Fiduciary, with like effect as if originally named in such capacity; but the Fiduciary ceasing to act shall nevertheless, upon State Request, or of the successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of the predecessor Fiduciary in and to any property held by it under this Resolution, and shall pay over, assign and deliver to the successor Fiduciary any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the State be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the State. Any such successor Fiduciary shall promptly notify the other Fiduciaries, if any, and any depository of its appointment as Fiduciary.

Section 8.10 Merger or Consolidation

Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act; provided, however, such company shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Resolution; and further provided, however, that such company otherwise meets the qualifications for successor Fiduciaries set forth in Section 8.08 herein.

Section 8.11 Adoption of Authentication

In case any of the Bonds contemplated to be issued under this Resolution shall have been authenticated but not delivered, any successor Registrar may adopt the certificate of authentication of any predecessor Registrar so authenticating such Bonds and deliver such Bonds so authenticated. In case any such Bonds shall not have been authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in the name of the successor Registrar, and in all such cases such certificate shall be of full force and effect.

[End of Article VIII]

ARTICLE IX

FEDERAL TAX CONSIDERATIONS

Section 9.01 Compliance with the Code

The State will comply with all requirements of the Code in order to preserve the tax-exempt status of the Bonds, including without limitation, (i) the requirement to file Form 8038-G, *Information Return for Tax-Exempt Government Obligations*, with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) of the Code. In this connection, the State covenants to execute any and all agreements, certificates and other documentation as it may be advised by bond counsel will enable it to comply with this Article IX, and such agreements, certificates and other documentation may be executed by an Authorized Officer.

Section 9.02 Tax Representations and Covenants

The State hereby represents and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the Holders thereof for federal income tax purposes pursuant to the provisions of the Code and the United States Treasury Regulations (the "Regulations"). Without limiting the generality of the foregoing, the State represents and covenants that:

(a) All property financed or refinanced with the proceeds of the Bonds will be owned by the State or a political subdivision thereof in accordance with the rules governing the ownership of property for federal income tax purposes.

(b) The State shall not use, and will not permit any party to use, the proceeds of the Bonds in any manner that would result in (i) five percent (5%) or more of such proceeds being considered as having been used in a Private Business Use; or (ii) an amount greater than the lesser of five percent (5%) of such proceeds or \$5,000,000 being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

(c) The State is not a party to, and will not enter into or permit any other party to enter into, any contract with any person involving the management of any facility financed or refinanced with the proceeds of the Bonds or by notes paid by the Bonds that does not conform to the guidelines set forth in Revenue Procedure 97-13, as amended by Revenue Procedure 2001-39, or a successor revenue procedure, Code provision or Regulations.

(d) The State will not sell, or permit any other party to sell, any property financed or refinanced with the Bonds to any person unless it obtains an opinion of nationally recognized bond counsel that such sale will not affect the tax-exempt status of the Bonds.

(e) The Bonds will not be "federally guaranteed" within the meaning of Section 149(b) of the Code. The State shall not enter into, or permit any other party to enter into, any leases or sales or service contract with any federal government agency with respect to any facility financed or refinanced with the proceeds of the Bonds and will not enter into any such leases or contracts

unless it obtains the opinion of nationally recognized bond counsel that such action will not affect the tax-exempt status of the Bonds.

Section 9.03 Arbitrage Bonds

The State hereby covenants and agrees with the Holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds, would have caused the Bonds to be “arbitrage bonds,” as defined in the Code, and to that end the State hereby shall:

- (a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any Regulations so long as the Bonds are Outstanding;
- (b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code and Regulations relating to required rebate of certain amounts to the United States Government;
- (c) make such reports of such information at the time and places required by the Code and Regulations; and
- (d) take such other action as may be required to assure that the tax-exempt status of the Bonds will not be impaired.

Section 9.04 Taxable Series and Taxable BANs; Inapplicability of Provisions of This Article

The State Treasurer is hereby authorized to designate a Series of Bonds as a Taxable Series and an issue of BANs as taxable BANs. The provisions of the preceding Sections of this Article IX shall not apply to Bonds of a Taxable Series or to taxable BANs.

[End of Article IX]

ARTICLE X

MISCELLANEOUS

Section 10.01 Failure to Present Bonds

Any money held by the Paying Agent in trust for the payment and discharge of any of the Bonds, or the interest thereon, which remains unclaimed for such period of time after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, that the Holder thereof shall no longer be able to enforce the payment thereof, the Paying Agent shall at the written request of the State pay such money to the State as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the State for the payment of such Bonds; provided, however, the Paying Agent shall forward to the State all moneys which remain unclaimed during a period five (5) years from a Bond Payment Date, and further provided, however, that before being required to make any such payment to the State, the Paying Agent, at the expense of the State, may conduct such investigations as may in the opinion of the Paying Agent be necessary to locate the Holders of those who are entitled to take such funds.

Section 10.02 Severability of Invalid Provisions

If any one or more of the covenants or agreements provided in this Resolution should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Resolution.

Section 10.03 Resolution to Constitute Contract

In consideration of the purchase and acceptance of the Bonds and BANs by those who shall purchase and hold the same from time to time, the provisions of this Resolution, with the exception of the findings of fact in Article I hereof, shall be deemed to be and shall constitute a contract between the State and the Holders from time to time of the Bonds, and such provisions are covenants and agreements with such Holders which the State hereby determined to be necessary and desirable for the security and payment thereof. The pledge hereof and the provisions, covenants, and agreements herein set forth to be performed on behalf of the State shall be for the equal benefit, protection, and security of the Holders of any and all of the Bonds, all of which shall be of equal rank without preference, priority or distinction of any Bonds over any other Bonds.

Section 10.04 Execution of Closing Documents and Certificates

The Governor, the State Treasurer, the Secretary of State and any other officers or employees of the State are fully authorized and empowered to take such further action and to execute and deliver such closing documents and certificates as may be necessary and proper in order to complete the issuance of the Bonds herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents, in such form as he or they shall approve, is hereby fully authorized.

Section 10.05 Filing of Copies of Resolution

Copies of this Resolution shall be filed in the offices of the State Board, the office of the Secretary of State (as a part of the Transcript of Proceedings filed for each Series of Bonds), and with the offices of each Paying Agent and Registrar for each Series of Bonds.

Section 10.06 Benefits of Resolution Limited to the State and Holders of the Bonds

With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or should be construed to confer upon or give to any Person other than the State and the Holders of the Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the State and the Holders from time to time of the Bonds as herein and therein provided.

Section 10.07 No Personal Liability

No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the State contained in this Resolution or the Bonds, against any member of the State Board, any officer or employee, as such, in his or her individual capacity, past, present or future, of the State, either directly or through the State, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Resolution and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer or employee as such, past, present or future, of the State Board, either directly or by reason of any of the obligations, covenants, promises or agreements entered into between the State and Bondholders or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the adoption of this Resolution and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Bonds, expressly waived and released. The immunity of members of the State Board, officers and employees of the State under the provisions contained in this Section shall survive the termination of this Resolution. Bonds as used in this Section 10.07 shall be deemed to include BANs.

Section 10.08 Continuing Disclosure

(a) In accordance with Section 11-1-85 of the South Carolina Code the State Board hereby covenants to file with a central repository for availability in the secondary bond market when requested (i) an annual independent audit, within thirty days of the State's receipt of the audit; and (ii) event specific information, within thirty days of an event adversely affecting more than five percent of the State's revenue or tax base. The only remedy for failure by the State to comply with the covenant in this Section 10.08 shall be an action for specific performance of this covenant. The State Board specifically reserves the right to amend this covenant to reflect any change in said Section 11-1-85 without the consent of any Bondholder.

(b) In addition, the State hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Failure of the State to comply with the Continuing Disclosure Undertaking shall not be considered an event of default hereunder; provided, however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the State to comply with its obligations under this Section 10.08(b). The Continuing Disclosure Undertaking shall be executed by the State Treasurer prior to the delivery of the Bonds and shall be substantially in such form as is set forth in Exhibit G hereto, together with such modifications and amendments thereto, including without limitation those necessary in case of the issuance of BANs, as shall be deemed necessary by the State Treasurer upon advice of counsel. Additionally, the form of the Continuing Disclosure Undertaking shall be amended and modified as necessary to comply with any rules or regulations promulgated by the United States Securities and Exchange Commission. The execution of the Continuing Disclosure Undertaking shall constitute conclusive evidence of the approval by the State Treasurer of any and all modifications and amendments thereto.

Section 10.09 Law and Place of Enforcement of this Resolution

This Resolution shall be construed and interpreted in accordance with the laws of the State and all suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State.

Section 10.10 Effect of Article and Section Headings and Table of Contents

The heading or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 10.11 Repeal of Inconsistent Resolutions

All resolutions of the State Board, and any part of any resolution, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

Section 10.12 Effectiveness of this Resolution

This Resolution shall become effective upon its adoption.

[End of Article X]

EXHIBIT A

ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS FOR ALL
OUTSTANDING GENERAL OBLIGATION STATE HIGHWAY BONDS
PRIOR TO ISSUANCE OF THE REFUNDING BONDS

Fiscal Year Ending	Principal	Interest	Debt Service
June 30, 2014	\$ 41,895,000.00	\$ 15,406,668.76	\$ 57,301,668.76
June 30, 2015	43,175,000.00	14,170,687.51	57,345,687.51
June 30, 2016	43,675,000.00	12,397,340.63	56,072,340.63
June 30, 2017	44,770,000.00	10,540,250.00	55,310,250.00
June 30, 2018	46,255,000.00	8,326,006.25	54,581,006.25
June 30, 2019	47,770,000.00	6,068,456.25	53,838,456.25
June 30, 2020	36,300,000.00	3,729,400.00	40,029,400.00
June 30, 2021	38,090,000.00	2,031,675.00	40,121,675.00
June 30, 2022	13,990,000.00	577,650.00	14,567,650.00
June 30, 2023	11,230,000.00	168,450.00	11,398,450.00
Total	<u>\$ 367,150,000.00</u>	<u>\$ 73,416,584.40</u>	<u>\$ 440,566,584.40</u>

EXHIBIT B

PRO FORMA SCHEDULE SHOWING PRINCIPAL AND INTEREST REQUIREMENTS ON
 \$76,000,000 GENERAL OBLIGATION STATE HIGHWAY REFUNDING BONDS
 AT A PROJECTED CURRENT RATE OF INTEREST

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
June 30, 2015	\$ 8,455,000.00	\$ 502,039.13	\$ 8,957,039.13
June 30, 2016	8,090,000.00	842,253.50	8,932,253.50
June 30, 2017	8,125,000.00	808,189.75	8,933,189.75
June 30, 2018	8,175,000.00	756,401.00	8,931,401.00
June 30, 2019	8,250,000.00	679,968.50	8,929,968.50
June 30, 2020	8,355,000.00	578,604.50	8,933,604.50
June 30, 2021	8,480,000.00	448,862.50	8,928,862.50
June 30, 2022	8,645,000.00	288,187.75	8,933,187.75
June 30, 2023	8,830,000.00	100,220.50	8,930,220.50
Total	<u>\$ 75,405,000.00</u>	<u>\$ 5,004,727.13</u>	<u>\$ 80,409,727.13</u>

EXHIBIT C

PRO FORMA SCHEDULE SHOWING PRINCIPAL AND INTEREST REQUIREMENTS FOR
ALL OUTSTANDING GENERAL OBLIGATION STATE HIGHWAY BONDS
INCLUDING THE PROPOSED \$76,000,000 GENERAL OBLIGATION STATE HIGHWAY
REFUNDING BONDS AND AFTER GIVING EFFECT TO THE DEFEASANCE OF THE
REFUNDED BONDS

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
June 30, 2014	\$ 41,895,000.00	\$ 14,052,218.76	\$ 55,947,218.76
June 30, 2015	51,630,000.00	11,963,826.64	63,593,826.64
June 30, 2016	51,765,000.00	10,530,694.13	62,295,694.13
June 30, 2017	43,980,000.00	8,862,414.75	52,842,414.75
June 30, 2018	45,095,000.00	7,017,626.00	52,112,626.00
June 30, 2019	46,270,000.00	5,095,293.50	51,365,293.50
June 30, 2020	34,465,000.00	3,097,429.50	37,562,429.50
June 30, 2021	35,990,000.00	1,657,937.50	37,647,937.50
June 30, 2022	11,735,000.00	365,437.75	12,100,437.75
June 30, 2023	8,830,000.00	100,220.50	8,930,220.50
Total	<u>\$ 371,655,000.00</u>	<u>\$ 62,743,099.03</u>	<u>\$ 434,398,099.03</u>

REVENUES DERIVED FROM EACH OF THE SOURCES OF REVENUE
DURING THE FISCAL YEAR ENDED JUNE 30, 2013
AS DEFINED IN SECTION 57-11-210 OF THE
CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED

<u>Sources of Revenue</u>	<u>June 30, 2013</u>
Motor vehicle license tax	\$ 110,875,310.00
Gasoline user fee	411,855,542.22
Fuel oil user fee	<u>99,328,182.77</u>
Total revenues pledged for highway bonds	<u>\$ 622,059,034.99</u>

(FORM OF OFFICIAL NOTICE OF SALE)

OFFICIAL NOTICE OF SALE

\$ _____*

STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE HIGHWAY REFUNDING BONDS
SERIES _____

(BOOK-ENTRY-ONLY)

SEALED BIDS, FACSIMILE BIDS, AND ELECTRONIC BIDS for the purchase of \$ _____ General Obligation State Highway Refunding Bonds, Series 2014, of the State of South Carolina (the "Bonds") will be received by the Governor of the State (the "Governor") and the State Treasurer of the State (the "State Treasurer"), in the Office of the State Treasurer, Room 121, in the Wade Hampton Office Building, Capitol Complex, Columbia, South Carolina, 29201, until _____ a.m. (Eastern Time) on _____, _____, 2014, or on such other date and time as may be established by the Governor and the State Treasurer and communicated by Thomson Municipal Market Monitor not later than 48 hours prior to the time the bids are to be received.

Electronic bids must be submitted through BiDCOMP/Parity Electronic Bid Submission System ("PARITY®"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of PARITY® may be obtained from IPREO, Municipal Services, telephone (212) 849-5021, or parity@ipreo.com.

Bids not submitted through PARITY® must be submitted on a manually signed Official Bid Form, attached hereto, and must be submitted either by sealed envelope or facsimile transmission. Bids submitted by sealed envelope must be addressed to the State Treasurer of the State of South Carolina, Room 121, Wade Hampton Office Building, Capitol Complex, Columbia, South Carolina, 29201, and marked on the outside in substance "Bid for \$ _____ State of South Carolina General Obligation State Highway Refunding Bonds, Series 2014." Such bids are to be publicly opened and read at such time and place on said day. The State of South Carolina (the "State") will accept the facsimile transmission of a manually signed Official Bid Form at the risk of the bidder. The State will not be responsible for the confidentiality of bids submitted by facsimile transmission, but does agree to place such bids in an envelope upon receipt. Any delay in receipt of a facsimile bid, and any incomplete or illegible portions of such bid are the responsibility of the bidder. Facsimile bids must be submitted to the State Treasurer at (803) 734-2039 (primary) or (803) 734-2697 (alternate). The State requests that the bidders planning to submit a sealed bid or a facsimile bid notify the State 24 hours in advance of the set bid time, by contacting Morgan A. O'Donnell, Assistant State Treasurer, Debt Division, 122 Wade Hampton Office Building, Capitol Complex, Columbia, South Carolina, 29201 (telephone: (803) 734-1391; email: morgan.o'donnell@sto.sc.gov).

* Subject to adjustment as set forth herein.

The Bonds will be issued in denominations of \$5,000 or any multiple thereof and will mature on _____ 1 (the “Annual Principal Payment Date”) in the years and principal amounts as follows:

<u> 1</u>	<u>Principal Amount*</u>
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	

At the sale of the Bonds, the State Treasurer may adjust the principal amount of the Bonds in order to limit net bond proceeds, maintain compliance with constitutional and statutory debt limitations, maintain level annual debt service within each fiscal year, achieve a more favorable interest rate at the sale of the bonds, and achieve any savings objectives, as applicable.

The Bonds are not subject to redemption prior to maturity.

The Bonds will be dated and bear interest from _____ 1, 2014, at a rate or rates to be named by the successful bidder. Interest on the Bonds will be payable on _____ 1 and _____ 1 of each year (each, a “Bond Payment Date”) commencing _____ 1, 2014, at which time interest for one (1) month will be due. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on the Bonds will be paid in any coin or currency of the United States of America, which, at the time of payment, is legal tender for the payment of public and private debts.

Interest on the Bonds will be paid on each Bond Payment Date by check or draft mailed from the Corporate Trust Office of the financial institution designated by the State Treasurer to act as Paying Agent and Registrar to the person in whose name the Bond is registered on the 15th day next preceding the Bond Payment Date at the address shown on the registration books.

The Bonds will initially be subject to a system of book-entry registration maintained by The Depository Trust Company, New York, New York (“DTC”). Principal of the Bonds when due will be paid upon presentation and surrender of such Bonds at the Corporate Trust Office of the Paying Agent.

The delivery of the Bonds is expected on or about _____ 2014.

The Bonds are issued pursuant to the constitution and laws of the State, including Article X, Section 13 of the South Carolina Constitution and Title 57, Chapter 11 and Title 11, Chapter 21 of the Code of Laws of South Carolina, 1976, as amended, as supplemented by Section 11-27-30

* Subject to adjustment as set forth herein.

of the Code of Laws of South Carolina, 1976, as amended, and constitute general obligations of the State.

CONDITIONS OF SALE

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 purchase all of the Bonds at the lowest interest cost (as defined below) to the State at a price of not less than the par amount of the Bonds, plus accrued interest to the date of delivery, if any. Bidders may name any number of rates of interest, in any variations selected by the bidder except that:

- [(a) All Bonds of the same maturity must bear the same rate of interest;
- (b) No rate of interest named shall be more than _____ (.0) percentage points;
- (c) A zero (0.0) percentage point rate of interest is not permitted;
- (d) Each interest rate named must be a multiple of 1/8th or 1/20th of one (1) percentage point; and
- (e) Any premium offered must be paid in cash as a part of the purchase price.]

Bidders may designate in their bid two or more consecutive annual principal payments as a term bond which matures on the last Annual Principal Payment Date of the sequence. Any term bond so designated must be subject to mandatory sinking fund redemptions in each year on the Annual Principal Payment Dates such that the principal amounts subject to mandatory sinking fund redemption matches the principal amounts scheduled to mature as set forth in the table on page 2 hereof* and equals, together with the principal amount of such term bond due at its maturity, the principal amount of the term bond. There is no limitation on the number of term bonds.

The lowest interest cost shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the amount bid, not including interest accrued to the date of delivery.

Bids will be accepted or rejected by _____ p.m. (Eastern Time) on the day of the sale. In the event of tie low bids, the State shall select the successful bidder or bidders.

Neither a bid for the purchase of less than all of the Bonds, nor a bid for purchase at a price less than the par amount of the Bonds and accrued interest to the date of delivery, will be considered.

If any provisions of this Official Notice of Sale conflict with information provided by PARITY® as the approved provider of electronic bidding services, this Official Notice of Sale shall control.

* Subject to adjustment as set forth herein.

Any bid submitted must be unconditional and received by the State and by PARITY® in the case of electronic bids, before the time stated above. The time as maintained by PARITY® shall constitute the official time with respect to all bids submitted for the purchase of the Bonds. The State is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid.

Payment for the Bonds must be made in Federal Funds. No good faith deposit will be required.

The right to reject all bids and to readvertise the Bonds for sale is reserved and any bid not conforming to this Official Notice of Sale may be rejected, but the right is reserved to waive technicalities. In addition, the right is reserved to make changes to this Official Notice of Sale. Such changes will be announced on TM3 at www.TM3.com.

The State will furnish, without cost to the successful bidder, the Bonds and the opinions of The Honorable Alan Wilson, Attorney General of the State of South Carolina; and Pope Zeigler, LLC, Bond Counsel with respect to the Bonds. The opinion of Bond Counsel will be attached to the back of each of the Bonds.

The opinion of Bond Counsel will further state that (a) interest on the Bonds is excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, however, it is taken into account in determining adjusted current earnings of certain corporations; and (b) the Bonds and the interest thereon are exempt from all State, county, municipal, school district and all other taxes or assessments imposed within the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes. The opinion will further state that the Code establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds remains excludable from gross income for federal income tax purposes. Noncompliance may cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds, regardless of the date on which such noncompliance occurs or is ascertained. The State has covenanted to comply with the requirements of the Code in the resolution pursuant to which the Bonds is issued and, in rendering its opinion, Bond Counsel will assume compliance with such covenants.

By submitting a bid, each bidder represents that the bidder's proposal is genuine, and not a sham or collusive, and is not made in the interest of or on behalf of any person not therein named, the bidder has not directly or indirectly induced or solicited any other bidder to submit a sham bid or any other person, firm or corporation to refrain from bidding, and the bidder has not in any manner sought by collusion to secure for it an advantage over any other bidder.

The successful bidder (hereafter, the "Purchaser") agrees to provide certificates, including, but not limited to, the issue price certificate attached hereto as Exhibit A (the "Issue Price Certificate"), stating the following:

(1) the Purchaser has made a bona fide public offering of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the

capacity of underwriters or wholesalers) (the “Public”) at the initial public offering price (the “Initial Public Offering Price”) set forth on the inside cover pages of the Official Statement related to the Bonds;

(2) the Purchaser reasonably expected to sell each maturity of the Bonds, and, except as otherwise disclosed in the Issue Price Certificate, first sold at least 10% of each maturity of the Bonds to the Public as of _____, 2014, the first day on which there was an acceptance of bid in writing for the sale of the Bonds (the “Sale Date”), at the applicable Initial Public Offering Price; the Initial Public Offering Prices for the Bonds were established by a bona fide public offering of each maturity of the Bonds to the Public; and the Initial Public Offering Price of each maturity of the Bonds did not exceed the fair market value of each such maturity of the Bonds as of the Sale Date;

(3) a list of undersold maturities of the Bonds, in the event the Purchaser is unable to sell the first 10% of any maturity of the Bonds, notwithstanding the Purchaser’s reasonable expectations;

(4) the selling compensation (aggregate total anticipated compensation to the successful bidder expressed in dollars, based on the expectation that all of the Bonds are sold at prices or yields at which the successful bidder advised the State that the Bonds were initially offered to the public); and

(5) in order to assist the State in compliance with applicable federal tax law, the “yield” on the Bonds, calculated in accordance with Section 1.148-4 of the United States Treasury Regulations. The Purchaser will further acknowledge that the State will rely on the information set forth in the Issue Price Certificate with respect to certain representations made by the State in its arbitrage and tax compliance certificate; and that Bond Counsel will rely on the representations contained in the Issue Price Certificate for certain purposes in connection with the issuance of the Bonds and its opinion as to the exclusion of the interest on the Bonds from gross income for federal income tax purposes, including without limitation the determination that the Bonds do not constitute “arbitrage bonds” within the meaning of Section 148 of the Code.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Bonds. Each maturity of the Bonds must have a separate CUSIP number, to be provided by the successful bidder.

A Preliminary Official Statement dated _____, 2014 with respect to the Bonds has been prepared by the State, and such Preliminary Official Statement is deemed final by the State for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission (the “Rule”). The only information omitted from the Preliminary Official Statement are those items permitted to be omitted under the Rule. The Preliminary Official Statement is available at <http://www.i-dealprospectus.com>. The State designates the Purchaser as its agent for purposes of distributing copies of the final Official Statement. The Purchaser agrees to (1) accept such designation, and (2) assure proper dissemination of the final Official Statement. The State will prepare and provide to the Purchaser, within seven (7) business days after the sale date, a mutually agreed upon number of printed copies of the final Official Statement. The final Official Statement shall be in substantially

the same form as the Preliminary Official Statement, subject to any additions, deletions or revisions that the State believes are necessary. In order to assist the Purchaser in complying with the Rule, the State will undertake, in accordance with the authorizing resolution pursuant to which the Bonds are issued and Continuing Disclosure Undertakings, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

The Bonds will be delivered through the facilities of DTC on or about _____, 2014. Prospective purchasers may obtain, in advance of the sale, copies of the bid form and Preliminary Official Statement relating to the Bonds from (i) the i-dealprospectus website, <http://www.i-dealprospectus.com>; (ii) Morgan A. O'Donnell, Assistant State Treasurer, Debt Division, 122 Wade Hampton Office Building, Capitol Complex, Columbia, South Carolina, 29201 (telephone: (803) 734-1391; email: morgan.o'donnell@sto.sc.gov); (iii) F. Richard Harmon, Jr., Senior Assistant State Treasurer, 122 Wade Hampton Office Building, Columbia, South Carolina 29201 (telephone: (803) 734-2114; email: rick.harmon@sto.sc.gov); or (iv) Samuel W. Howell IV, Disclosure Counsel, Howell Linkous & Nettles, LLC, The Lining House, 106 Broad Street, Charleston, South Carolina 29401 (telephone: (843) 266-3801; email: samhowell@bond-law.com).

Nikki R. Haley, Governor of South Carolina

Curtis M. Loftis, Jr., State Treasurer of South Carolina

Dated _____, 2014

CERTIFICATE AS TO ISSUE PRICE

The undersigned, a duly authorized officer of [Purchaser], as the purchaser (the "Purchaser") of the \$ _____ General Obligation State Highway Refunding Bonds, Series 2014, of the State of South Carolina (the "Bonds"), represents and certifies, to establish the "issue price" of the Bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and certain other matters, that:

1. The Purchaser has made a bona fide public offering of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (the "Public") at the initial public offering price (the "Initial Public Offering Price") set forth on the inside cover pages of the Official Statement, dated _____, 2014, related to the Bonds.

2. The Purchaser reasonably expected to sell each maturity of the Bonds, and [, except as described in Section 3 hereof,] first sold at least 10% of each maturity of the Bonds to the Public as of _____, 2014, the first day on which there was an acceptance of bid in writing for the sale of the Bonds (the "Sale Date"), at the applicable Initial Public Offering Price. The Initial Public Offering Prices for the Bonds were established by a bona fide public offering of each maturity of the Bonds to the Public. The Initial Public Offering Price of each maturity of the Bonds did not exceed the fair market value of each such maturity of the Bonds as of the Sale Date.

[3. Notwithstanding the Purchaser's reasonable expectations, the Purchaser was unable to sell the first 10% of the [list of undersold maturities] of the Bonds to the Public on the Sale Date at the Initial Public Offering Price.]

4. The Purchaser realized total selling compensation (the aggregate total anticipated compensation to the Purchaser expressed in dollars, based on the expectation that all of the Bonds are sold at prices or yields at which the Purchaser advised the State that the Bonds were initially offered to the public) in the amount of \$ _____.

The Purchaser acknowledges that the State of South Carolina (the "State") will rely on the information set forth in this Certificate with respect to certain representations made by the State in its Arbitrage and Tax Regulatory Certificate entered on the date hereof into in connection with the issuance of the Bonds; and that bond counsel to the State will rely on the representations contained in this Certificate for certain purposes in connection with the issuance of the Bonds and its opinion as to the exclusion of the interest on the Bonds from gross income for federal income tax purposes, including without limitation the determination that the Bonds do not constitute "arbitrage bonds" within the meaning of Section 148 of the Code.

Signed this ___ day of _____, 2014.

[Purchaser]

By: _____
Name: _____
Title: _____

OFFICIAL BID FORM

\$ _____*
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE HIGHWAY REFUNDING BONDS,
SERIES 2014

Bids Received Until
_____ a.m. (Eastern Time)
_____, _____, 2014

The Honorable Nikki R. Haley
Governor of South Carolina

The Honorable Curtis M. Loftis, Jr.
State Treasurer of South Carolina

Office of State Treasurer
Wade Hampton Office Building, Room 121
Columbia, South Carolina 29201

Ladies and Gentlemen:

Subject to the provisions and in accordance with the terms of the Official Notice of Sale, which are made a part of this bid, we offer to purchase the \$ _____* General Obligation State Highway Refunding Bonds, Series 2014, of the State of South Carolina (the "Bonds"). We will pay as the purchase price thereof _____ Dollars (\$ _____) for the Bonds, dated _____, 2014, maturing as set forth below, and bearing interest, payable on _____ 1 and _____ 1 of each year, beginning _____, 2014, at the rates set forth below, together with accrued interest, if any, from _____, 2014, to the date of delivery of the Bonds:

_____ 1	<u>Principal Amount*</u>	<u>Interest Rate</u>

The total interest cost, computed from _____, 2014, at the interest rates specified above, is: \$ _____

The premium is: \$ _____

The net interest cost of the Bonds is: \$ _____

The TIC is: _____%

(The above computations are submitted for information purposes only and are not a part of this bid.)

We hereby certify (or declare) that (i) this bid is genuine, and not a sham or collusive, and is not made in the interest or on behalf of any person not herein named; (ii) we have not directly or indirectly induced or solicited any other bidder to submit a sham bid or any other person, firm or corporation to refrain from bidding; and (iii) we have not in any manner sought by collusion to secure for ourselves an advantage over any other bidder.

State Treasurer of the
State of South Carolina
facsimile numbers:
(803) 734-2039 (primary)
(803) 734-2697 (alternate)

Submitted by
Company: _____
Contact: _____
Phone: _____
Facsimile: _____
Email: _____

* Subject to adjustment as described in the Official Notice of Sale.

(FORM OF BOND)
(FACE OF BOND)

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE HIGHWAY REFUNDING BOND,
SERIES _____

No. R-____

Rate of Interest Maturity Date Original Issue Date CUSIP

Registered Holder: CEDE & Co.

Principal Amount: _____ DOLLARS (\$ _____)

THE STATE OF SOUTH CAROLINA (the "State") acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder named above, or registered assigns, the Principal Amount stated above on the Maturity Date set forth above, unless this Bond be subject to redemption and shall have been redeemed prior thereto as hereinafter provided, upon presentation and surrender of this Bond at the Corporate Trust Office of _____ in the City of _____, State of _____ (the "Paying Agent"), and to pay interest on such Principal Amount at the Rate of Interest set forth above (calculated on the basis of a 360-day year consisting of twelve 30-day months), until the obligation of the State with respect to the payment of such Principal Amount shall be discharged.

This Bond is one of an issue of Bonds in the aggregate principal amount of _____ Dollars (\$ _____) of like tenor, except as to registered owner, numbering, rate of interest, date of maturity and redemption provisions, issued pursuant to and in accordance with the Constitution and Statutes of the State of South Carolina, including particularly the provisions of Article X, Section 13 of the South Carolina Constitution, 1895, as amended; Title 57, Chapter 11, Article 3 and Title 11, Chapters 21 and 27 of the Code of Laws of South Carolina, 1976, as amended; and a resolution (the "Resolution") duly adopted by the South Carolina Budget and Control Board for the purpose of raising funds for purposes authorized by said Chapter.

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution. Certified copies of the Resolution are on file in the office of the Registrar, in the office of the Paying Agent and in the office of the Secretary of the State of South Carolina.

So long as Cede & Co., as nominee of The Depository Trust Company (“DTC”) is the Registered Holder of the Bonds, references in this Bond to the Bondholders or Registered Holders of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners.

The State, the Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purpose of the payment of the principal of or interest or premium, if any, on the Bonds, giving any notice permitted or required to be given to Bondholders under the Resolution, hereinafter defined, registering the transfer of Bonds, obtaining any consent or action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The State, the Registrar and the Paying Agent shall not have any responsibility or obligation to any direct participant, any person claiming a beneficial ownership in the Bonds under or through DTC or any other person which is not shown on the registration books of the State (kept by the Registrar) as being a Bondholder with respect to the accuracy of any records maintained by DTC or any direct participant; the payment by DTC or any direct participant of any amount in respect of the principal of or interest or premium, if any, on the Bonds, any notice which is permitted or required to be given to Bondholders thereunder or under the conditions for transfers or exchanges adopted by the State, or any consent given or other action taken by DTC as a Bondholder.

Interest on the Bonds is payable on _____ 1 and _____ 1 of each year (the “Bond Payment Dates”) beginning _____ 1, _____ at which time interest for ____ () months will be due. The interest payable on any Bond Payment Date for any Bond shall be paid to the person in whose name the Bond is registered at the close of business on the 15th day next preceding such Bond Payment Date.

Each Bond shall bear interest from _____, _____, if no interest has yet been paid; otherwise from the last Bond Payment Date to which interest has been paid and which Bond Payment Date is on or prior to the authentication date thereof.

Interest hereon will be payable by check or draft mailed at the times provided herein from the office of the Paying Agent to the person in whose name this Bond is registered at the address shown on the registration books. The principal of, redemption premium, if any, and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

For the payment of the principal of and interest on this Bond, as the same shall become due, there are pledged the full faith, credit and taxing power of the State of South Carolina.

This Bond and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments, except estate or other transfer taxes, direct or indirect; general or special, whether imposed for the purpose of general revenue or otherwise.

This Bond is issuable only as a fully registered Bond without coupons in denominations of \$5,000 and any integral multiple of \$5,000. This Bond is transferable, as provided in the Resolution, only upon the registration books kept for that purpose at the Corporate Trust Office of the Registrar by the Registered Holder in person or by his duly authorized attorney, upon (i) surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his duly authorized attorney; and (ii) payment of the charges, if any, prescribed in the Resolution. Thereupon a new fully registered Bond or Bonds of

like series designation, maturity, interest rate, and redemption provisions and in a like aggregate principal amount will be issued to the transferee in exchange therefor as provided in the Resolution. The State, the Paying Agent and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or Redemption Price hereof and interest due hereon and for all other purposes.

The State shall not be obligated to (i) issue, exchange or transfer this Bond during the 15 days next preceding any Bond Payment Date, (ii) issue, exchange or transfer this Bond during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption, or (iii) transfer or exchange this Bond if called or if being called for redemption in whole or in part.

For every exchange or transfer of the Bonds, the State, the Paying Agent, or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

The Bonds maturing on and after _____, _____, shall be subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State on and after _____, _____, at par plus interest accrued to the date of redemption.

If less than all of the Bonds of the same maturity are to be redeemed, the particular Bonds or portions of Bonds to be redeemed will be selected not less than forty-five (45) days prior to the date fixed for redemption by the Registrar by lot. Bonds in denomination of more than \$5,000 may be redeemed in part from time to time in one or more units of \$5,000 in the manner provided in the Resolution.

In the event that any Bonds are to be called for redemption as aforesaid, the Paying Agent shall give notice of the redemption of the Bonds in the name of the State specifying (i) the principal amount and the maturities of the Bonds to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers, series designation and other distinguishing marks of the Bonds to be redeemed unless all of the Outstanding Bonds are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; and (vi) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall be dated and shall further state that on the redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after the redemption date, interest thereon shall cease to accrue. The Paying Agent shall mail a copy of such notice, by registered or certified mail, not less than thirty (30) days before the redemption date to the Registered Holders of any Bonds or portions of Bonds which are to be redeemed at their last addresses appearing upon the registration books, but failure to so mail any such notice to any one of such Registered Holders shall not affect the redemption of those registered Bonds to whose Registered Holders such notice was mailed.

On the specified redemption date (unless the State shall default in the payment of the Redemption Price and accrued interest) all Bonds so called for redemption will cease to bear interest, will no longer be secured by the Resolution and will no longer be considered as Outstanding.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and Statutes of the State of South Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, that the amount of this Bond, together with all other indebtedness of the State of South Carolina, does not exceed any limit prescribed by such Constitution or Statutes, and that provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on this Bond and the issue of Bonds of which this Bond is one.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

IN WITNESS WHEREOF, the State of South Carolina has caused this Bond to be signed in its name by the manual or facsimile signatures of the Governor of South Carolina and the State Treasurer of South Carolina, the Great Seal of the State of South Carolina to be reproduced or impressed hereon and the same to be attested by the manual or facsimile signature of the Secretary of State of South Carolina.

THE STATE OF SOUTH CAROLINA

SEAL

Nikki R. Haley
Governor

Curtis M. Loftis, Jr.
State Treasurer

Attest:

Mark Hammond
Secretary of State

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Resolution.

_____, REGISTRAR

By: _____
Authorized Signatory

Date: _____

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Please print or type name and address of Transferee and Social Security or other identifying number of Transferee)

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints _____

attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

NOTE: The signature to this assignment must correspond with the name(s) on the face of the foregoing bond in every particular, without alternation.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agents Medallion Program ("STAMP") or similar program.

The following abbreviations shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT ____ Custodian ____
(Cust) (Minor)
Under Uniform Gift to Minors Act of the State of _____

Additional abbreviations may be used though not in the list above

(FORM OF CONTINUING DISCLOSURE UNDERTAKING)

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered this ___ day of _____, 2014, by the State of South Carolina (the “State”) in connection with the issuance of the State’s \$ _____ General Obligation State Highway Refunding Bonds, Series _____ (the “Bonds”).

The Bonds are being issued pursuant to a resolution adopted on _____, _____ (the “Resolution”), by the South Carolina Budget and Control Board authorizing the issuance of the Bonds. The State covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the State for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the U.S. Securities and Exchange Commission (the “SEC”) Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized terms used in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means the annual report provided by the State pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” means any person designated in writing by the State and which has filed with the State a written acceptance of such designation.

“EMMA” means the Electronic Municipal Market Access system described in SEC Release No. 34-59062 (or any successor electronic information system) and maintained by MSRB as the sole repository for the central filing of electronic disclosure pursuant to the Rule.

“Listed Events” means any of the events listed in Section 5(a) or (b) of this Disclosure Undertaking.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Unless otherwise designated by MSRB or the SEC, filings with the MSRB are to be made through EMMA.

“Official Statement” means the Official Statement dated _____, _____, prepared in connection with the Bonds.

“Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” means the State of South Carolina.

Section 3. Provision of Annual Reports. (a) The State shall, not later seven (7) months after the end of the State’s fiscal year (which shall be January 31 of each year, so long as the State’s fiscal year ends on June 30), commencing with the report for the fiscal year ended June 30, _____, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided, however, that the audited financial statements of the State for the fiscal year ended June 30, _____, and for each subsequent fiscal year may be submitted separately from the remainder of the Annual Report, and later than the date required for the filing of the Annual Report if they are not available by that date. If the State’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a) hereof.

(b) If the State is unable to provide to the MSRB an Annual Report by the date required in subsection (a) above, the State shall, in a timely manner, send or cause to be sent to the MSRB, a notice in substantially the form attached hereto as Exhibit A.

(c) In the event that there is a Dissemination Agent, then not later than fifteen (15) business days prior to each due date, commencing January 16, _____, the State shall provide the Annual Report to the Dissemination Agent for distribution to the MSRB. In connection with this distribution of the Annual Report, the Dissemination Agent, if any, shall file a report with the State certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, and stating the date it was provided to the MSRB.

Section 4. Contents of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) The audited Comprehensive Annual Financial Report of the State for the fiscal year ended on the previous June 30, prepared in accordance with accounting principles generally accepted in the United States of America applicable to government entities from time to time by the Governmental Accounting Standards Board. If the State’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial

statements shall be provided to the MSRB in the same manner as the Annual Report when they become available;

(b) Revenue by sources in the preceding Fiscal Year for all governmental fund types, as indicated in Note 1 of the Audited Financial Statements contained as Appendix A in the Official Statement;

(c) Computation of the legal debt margin for General Obligation Bonds as set forth in the Official Statement under the heading "DEBT OF THE STATE OF SOUTH CAROLINA;"

(d) Total outstanding general obligation bonds and annual debt service as set forth in the Official Statement under the headings "DEBT OF THE STATE" and "TABLES RELATING TO THE BONDS AND THEIR EFFECT ON THE DEBT OF THE STATE;" and

(e) Total general obligation bonds per capita as set forth in the Official Statement under the heading "RELATIONSHIP OF POPULATION AND PERSONAL INCOME TO GENERAL OBLIGATIONS OF THE STATE."

The Annual Report may consist of one or more documents. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the State, which have been made available to the public on EMMA. The State shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events. (a) The State shall give or cause to be given notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, if material;
- (viii) Bond calls, if material and tender offers;

- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of any obligated person, which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;
- (xiii) the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of trustee, if material.

Section 6. Format for Filing With the MSRB. All documents provided to the MSRB pursuant to this Disclosure Undertaking shall be submitted in electronic format and shall identify the Bonds by name and CUSIP number or shall be accompanied by such identifying information as described from time to time by the MSRB.

Section 7. Termination of Reporting Obligation. This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Bonds shall have been paid in full or the Bonds shall have otherwise been paid or legally defeased; provided, however, that if the Rule (or any successor provision) shall be amended, modified, or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and provided further that if and to the extent the Rule (or any successor provision), or any provision thereof, shall be declared by a court of competent and final jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of the Rule so declared, shall no longer be required to be provided hereunder. Upon any legal defeasance, the State shall electronically file notice of such defeasance with the MSRB, and such notice shall state whether the Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 8. Dissemination Agent. The State may, from time to time, appoint or engage a Dissemination Agent to assist in its carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the State pursuant to this Disclosure Undertaking.

Section 9. Amendment; Waiver. The State may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements or change in law;

(b) This Disclosure Undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the State shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the State. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given by filing with the MSRB and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the State from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the State chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the State shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 11. Default. In the event of a failure of the State to comply with any provision of this Disclosure Undertaking, any holder or Beneficial Owner of the Bonds may take such actions

as may be necessary and appropriate, including seeking *mandamus* or specific performance by court order, to cause the State to comply with its obligations under this Disclosure Undertaking; provided, however, that any such action may be instituted only in the Federal or State courts located in Columbia, South Carolina. A default under this Disclosure Undertaking shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the State to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the State, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Undertaking is not intended to create any monetary rights on behalf of any person.

THE STATE OF SOUTH CAROLINA

Date: _____, 2014

By: _____
State Treasurer

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Issuer: The State of South Carolina

Obligations: \$ _____ General Obligation State Highway Refunding Bonds, Series _____

Date of Issuance: _____, 2014

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section _____ of the Resolution adopted on _____, 2014. The State anticipates that the Annual Report will be filed by _____.

THE STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____, _____

STATE BUDGET AND CONTROL BOARD
MEETING OF April 30, 2014

REGULAR SESSION
ITEM NUMBER 8

AGENCY: State Treasurer's Office

SUBJECT: Update on State Auditor Position

S. C. Code Ann. 11-7-10 (1976, as amended) authorizes the State Budget and Control Board to select the State Auditor. The State Budget and Control Board members appointed a Search Committee to recruit a candidate to be the State Auditor. The Board is asked to receive an update on the search for the State Auditor. Since this item involves consideration of a personnel matter, the Board may elect to convene in executive session to discuss the matter, if necessary.

BOARD ACTION REQUESTED:

Receive as information an update on the search for the State Auditor.

ATTACHMENTS:

STATE BUDGET AND CONTROL BOARD
MEETING OF April 30, 2014

REGULAR SESSION
ITEM NUMBER 9

AGENCY: Budget and Control Board

SUBJECT: Future Meeting

The next regular meeting of the Budget and Control Board will be held at 10:00 a.m. on Tuesday, June 17, 2014, in Room 252, Edgar A. Brown Building.

Remaining Meetings in 2014

Tuesday, June 17
Tuesday, August 12
Tuesday, October 14
Tuesday, December 9

BOARD ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, June 17, 2014, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: