

STATE BUDGET AND CONTROL BOARD

Meeting of Wednesday, February 26, 2014 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

Item	Agency	Subject
I.		MEETING OF THE BUDGET AND CONTROL BOARD
A.		ADOPTION OF PROPOSED AGENDA
B.		MINUTES OF PREVIOUS MEETING
C.		BLUE AGENDA
1.	Division of General Services	Easements
2.	Executive Director	Revenue Bonds
D.		REGULAR SESSION
1.	Division of General Services	University of South Carolina Lease – West Campus Development Leases
2.	Division of State Budget	Permanent Improvement Projects
3.	Clemson University	Not Exceeding \$10,000,000 General Obligation State Institution Bonds, Series 2014, Issued on behalf of Clemson University
4.	Clemson University	Not Exceeding \$15,300,000 Aggregate Principal Amount Athletic Facilities Revenue Bonds, Series 2014, Issued on behalf of Clemson University
5.	Budget and Control Board	Future Meeting

STATE BUDGET AND CONTROL BOARD
Meeting of Wednesday, February 26, 2014 -- 9:30 A. M.
Room 252, Edgar A. Brown Building
BLUE AGENDA INDEX

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
1.	Division of General Services	Easement
2.	Executive Director	Revenue Bonds

AGENCY: Division of General Services

SUBJECT: Easement

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

- (a) County Location: Clarendon
From: Budget and Control Board
To: Black River Electric Cooperative, Inc.
Consideration: \$1,284
Description/Purpose: To grant a 0.59 acre easement for the installation, operation and maintenance of an electric distribution line along Les Tindal Road on land of the Manchester State Forest. The easement will provide service to a pivot irrigation system on property of the adjoining land owner. Consideration is \$500 plus the Clarendon County Assessor's land value.

BOARD ACTION REQUESTED:

Approve the referenced easement.

ATTACHMENTS:

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

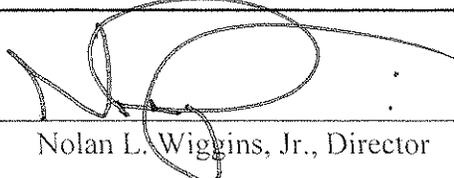
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: February 26, 2014

Blue Agenda

1. Submitted by:

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



Nolan L. Wiggins, Jr., Director

2. Subject: EASEMENT

3. Summary Background Information:

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

- (a) County Location: Clarendon
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-

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

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

6. List of Supporting Documents:
SC Code of Laws Sections 1-11-80 and 1-11-100

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.

AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required reviews on the following proposals to issue revenue bonds has been completed with satisfactory results. The projects requires approval under State law.

- a. Issuing Authority: Oconee County
Amount of Issue: N/E \$3,100,000 Special Source Refunding Revenue Bonds (\$3,100,000 refunding involved)
Allocation Needed: -0-
Name of Project: Refunding of \$3,500,000 Original Principal Amount Oconee County, SC Special Source Revenue Bonds, Series 2010
Employment Impact: n/a
Project Description: proceeds of the not exceeding \$3,100,000 Special Source Refunding Bond will be used to pay (a) outstanding principal, accrued interest (if any), and redemption premium (if any) to the date of redemption on the County's outstanding 2010 Special Source Revenue Bonds, and (b) costs of issuance of the 2014 Bond. The 2010 Bond was issued to finance the cost of acquiring, constructing, improving and expanding roads, sidewalks and other infrastructure serving and enhancing the economic development of the County.
Bond Counsel: Michael W. Burns, McNair Law Firm, P.A.
- b. Issuing Authority: Richland County
Amount of Issue: \$71,705,000 Refunding Revenue Bonds (\$71,705,000 refunding involved)
Allocation Needed: -0-
Name of Project: Eastover Mill of International Paper Company
Employment Impact: N/A – refunding projects
Project Description: to refund Richland County \$71,705,000 Environmental Improvement Revenue Refunding Bonds, 2003 Series A, the proceeds of which were used by the company to refinance certain pollution control and/or solid waste disposal facilities located at the mill.
Bond Counsel: Alan C. Cason, McGuireWoods LLP

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

- c. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: N/E \$6,000,000 Economic Development Revenue Bonds
Allocation Needed: -0-
Name of Project: Midland Valley Preparatory School
Employment Impact: maintain 24 jobs, add 7 within 12 months and 9 within 24 months
Project Description: acquire land and acquire and complete a new charter school in Aiken, including equipping and installation, and any other necessary improvements to permit the completion of the charter school.
Bond Counsel: F. Mitchell Johnson, Jr., Haynsworth, Sinkler Boyd, P.A.

BOARD ACTION REQUESTED:

Adopt resolutions approving the referenced proposals to issue revenue bonds.

ATTACHMENTS: Resolutions

Summary of Refinancing Proposal for
Oconee County, South Carolina

PRELIMINARY – SUBJECT TO CHANGE

February 6, 2014

Outstanding bonds proposed to be refinanced	\$3,500,000 original principal amount Oconee County, South Carolina Special Source Revenue Bond, Series 2010; principal amounts of the bond maturing on April 1, 2015 to and including April 1, 2025 (totaling \$2,925,000) to be refunded on April 1, 2014
Average interest rate of bonds refinanced	4.60%
Projected average interest rate of refinancing bonds	2.50%
True interest cost of refinancing bonds	2.48%
Projected net present value savings (net of costs)	\$287,884
Projected net present value savings as a percentage of the bonds refinanced	9.84%
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	\$67,500 2.26% of refinancing bonds 23.45% of refinancing savings
Underwriting	N/A; anticipated to be privately placed with a bank
Legal fees – bond, disclosure and general counsel	\$50,000
Rating agency fees	None
Advisory fees	\$15,000
Bond trustee/registrar	\$2,500
Accounting and verification	None
Credit enhancement/bond insurance	None
Publication, printing, contingencies and all other expenses	None
Total	\$67,500

Prepared by: McNair Law Firm, P.A.; Southwest Securities, Inc.
Date: February 6, 2013

STATE BUDGET AND CONTROL BOARD RESOLUTION
OCONEE COUNTY, SPECIAL SOURCE REFUNDING REVENUE BOND

A RESOLUTION APPROVING THE ISSUANCE BY OCONEE COUNTY, SOUTH CAROLINA, OF ITS NOT EXCEEDING \$3,100,000 SPECIAL SOURCE REFUNDING REVENUE BOND PURSUANT TO THE PROVISIONS OF TITLE 4, CHAPTER 29, SOUTH CAROLINA CODE OF LAWS 1976, AS AMENDED.

WHEREAS, the County Council of Oconee County, South Carolina (the "County"), has, by submitting a petition (the "Petition") under and pursuant to the provisions of Title 4, Chapter 29, South Carolina Code of Laws 1976, as amended (the "Act"), specifically Section 4-29-110 thereof, requested the approval by the State Budget and Control Board of the issuance by the County pursuant to Section 4-1-175 and Section 4-29-68 of the South Carolina Code of Laws 1976, as amended, of its not exceeding \$3,100,000 Special Source Refunding Revenue Bond (the "Series 2014 Bond"); and

WHEREAS, the County has entered into, and may continue to enter into, certain agreements with various partner counties for the development of joint county industrial and business parks (collectively, the "Park Agreements") pursuant to Section 13 of Article VIII of the Constitution of the State of South Carolina and Section 4-1-170 of the South Carolina Code of Laws 1976, as amended, wherein the area comprising the parks and all property having a situs therein is exempt from all *ad valorem* taxation but, instead, pays fees-in-lieu of tax (the "Park Revenues"); and

WHEREAS, heretofore, the County has issued its \$3,500,000 original principal amount Special Source Revenue Bond, Series 2010, dated June 16, 2010 (the "2010 Bond"), the proceeds of which were used by the County to finance the cost of acquiring, constructing, improving and expanding roads, sidewalks and other infrastructure serving and enhancing the economic development of the County; and

WHEREAS, the State Budget and Control Board of South Carolina approved the issuance of the 2010 Bond pursuant to a resolution adopted on February 23, 2010; and

WHEREAS, the County proposes issue the Series 2014 Bond in order to pay: (i) the outstanding principal, accrued interest (if any) and redemption premium (if any) on the 2010 Bond to the date of redemption thereof, and (ii) costs of issuance of the Series 2014 Bond; and

WHEREAS, the Series 2014 Bond will be: (a) payable solely from a portion of the Park Revenues received and retained by the County pursuant to the Park Agreements, (b) not secured by, or in any way entitled to, a pledge of the full faith, credit, or taxing power of the County, (c) not an indebtedness of the County within the meaning of any state constitutional provision or statutory limitation but is payable solely from a special source that does not include revenues

from any tax or license, and (d) not a pecuniary liability of the County or a charge against the County's general credit or taxing power; and

WHEREAS, the County has submitted a Resolution adopted by the County on January 21, 2014, and a Petition of the County dated January 21, 2014, making application to the State Budget and Control Board for approval of the issuance of the Series 2014 Bond and the Petition. This Board has reviewed and considered each of such documents in its consideration of the Petition by the County;

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

1. It is found and determined by the Board that the refunding of the 2010 Bond through the issuance of the Series 2014 Bond is intended to promote the purposes of the Act and is reasonably anticipated to effect such purposes.

2. On the basis of the foregoing, the proposed refunding of the 2010 Bond through the issuance of the Series 2014 Bond pursuant to the Act be and the same is hereby approved.

3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in the Daily Journal, which is a newspaper having general circulation in the County. Such notice shall be in substantially the form set forth in Exhibit A of this Resolution.

4. This Resolution shall take effect immediately.

Adopted: February 26, 2014.

EXHIBIT A

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, (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition dated January 21, 2014, filed by the County Council of Oconee County, South Carolina, has given on February 26, 2014, its approval to the following undertaking (the "Undertaking") by Oconee County, South Carolina (the "County"): the refunding of the County's \$3,500,000 original principal amount Special Source Revenue Bond, Series 2010 (the "2010 Bond"), through the issuance by the County of a not exceeding \$3,100,000 Special Source Refunding Revenue Bond, Series 2014 (the "Series 2014 Bond"). Proceeds of the Series 2014 Bond will be used to pay: (i) the outstanding principal, accrued interest (if any) and redemption premium (if any) on the 2010 Bond to the date of redemption thereof, and (ii) costs of issuance of the Series 2014 Bond.

A portion of the payments in lieu of taxes (the "Park Revenues") from properties located within certain joint county industrial and business parks (collectively, the "Parks") in the County pursuant to Section 13 of Article VIII of the Constitution of the State of South Carolina and Section 4-1-170 of the Code will be dedicated to pay the principal and interest on the Series 2014 Bond. The Series 2014 Bond will be payable by the County solely and exclusively out of Park Revenues received and retained by the County for the properties located within the Parks.

Notice is further given that any interested party may, within 20 days after the date of the publication of this notice but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Undertaking by action de novo instituted in the Court of Common Pleas for Oconee County, South Carolina.

STATE BUDGET AND CONTROL BOARD OF
SOUTH CAROLINA

Summary of Refinancing Proposal for
International Paper Company

PRELIMINARY – SUBJECT TO CHANGE

February 12, 2014

Outstanding bonds proposed to be refinanced	\$71,705,000 Richland County, South Carolina Environmental Improvement Revenue Refunding Bonds, 2003 Series A (International Paper Company Project)
	Maturity Date: April 1, 2023
Average interest rate of bonds refinanced	6.10%
Projected average interest rate of refinancing bonds	4.25%
True interest cost of refinancing bonds	4.40%
Projected net present value savings (net of costs)	\$9,000,000
Projected net present value savings as a percentage of the bonds refinanced	12.7%

Estimated costs (costs as a percentage of
refinancing bonds, costs as a percentage of
refinancing savings)

Underwriting	\$448,000
Legal fees – bond, disclosure and general counsel	\$200,000
Rating agency fees	\$100,000
Advisory fees	
Bond trustee/registrar	\$2,000
Accounting and verification	
Credit enhancement/bond insurance	
Publication, printing, contingencies and all other expenses	
Total	\$750,000

Prepared by: McGuireWoods LLP, Bond Counsel
Date: February 12, 2014



STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA

A RESOLUTION APPROVING THE UNDERTAKING OF
RICHLAND COUNTY, SOUTH CAROLINA
TO ISSUE ITS REFUNDING REVENUE BONDS IN THE AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$71,705,000
PURSUANT TO TITLE 4, CHAPTER 29,
CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED (THE "ACT")

WHEREAS, on February 4, 2014, the County Council (the "County Council") of Richland County, South Carolina (the "County") adopted a resolution (the "Inducement Resolution") declaring its intention to issue refunding revenue bonds from time to time or at one time, in one or more issues or series, in the aggregate principal amount not to exceed \$71,705,000 (the "Bonds"), the proceeds of which are to be applied to refund the County's \$71,705,000 Environmental Improvement Revenue Refunding Bonds, 2003 Series A (International Paper Company Project) (the "Prior Bonds"); and

WHEREAS, the proceeds of the Prior Bonds were used by International Paper Company, a New York corporation (the "Company"), to refinance certain pollution control and/or solid waste disposal facilities (the "Project") located at the Eastover Mill (the "Mill") of the Company in the County; and

WHEREAS, the Inducement Resolution authorized the filing of a Petition (the "Petition") with the State Budget and Control Board of South Carolina (the "State Board") setting forth the facts required by Section 4-29-140 of the Act, and pursuant to said Inducement Resolution, the County Council caused the submission of the Petition to the State Board; and

WHEREAS, the proposed undertaking consists of the issuance by the County, pursuant to the Act, of its refunding revenue bonds from time to time or at one time, in one or more issues or series, in the aggregate principal amount not to exceed \$71,705,000, such Bonds maturing not

later than forty (40) years from the date of issuance of such Bonds, the proceeds of which will be applied to refinance the Project by refunding the Prior Bonds; and

WHEREAS, the County, the Company and others propose to enter into documents in connection with the foregoing transaction (the "Documents") pursuant to which, among other things, the Company will agree to make payments sufficient to provide for the payment of the principal and purchase price of, premium, if any, and interest on the Bonds; and

WHEREAS, the Documents will prescribe the terms and conditions upon which the Bonds will be issued and the terms of the guarantee by the Company of the principal and purchase price of, premium, if any, and interest on the Bonds; and

WHEREAS, a general summary of the terms of the Documents as set forth in the Petition has been considered by this Board.

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

1. It has been found and determined by the State Board:
 - A. That the State Board has conducted such review as it deems advisable.
 - B. That the County Council has filed a proper Petition to the State Board in accordance with the provisions of Section 4-29-140 of the Act setting forth a brief description of the refinancing of the Project and its anticipated effect upon the economy of the County and the areas adjacent thereto, a reasonable estimate of the cost of refinancing the Project by refunding the Prior Bonds and a general summary of the Documents.
 - C. The issuance of the Bonds is intended to promote the purposes of the Act.

2. On the basis of the foregoing findings, the proposed undertaking of the County to (i) issue the Bonds; (ii) apply the proceeds thereof to refinance the Project by refunding the Prior Bonds; and (iii) enter into the Documents, all pursuant to the Act (including changes in any details of such undertaking as finally consummated which do not materially affect said undertaking), is hereby approved, and the County may proceed therewith.

3. In accordance with the provisions of Section 4-29-140 of the Act, notice of the action taken by the State Board in giving approval of the above described undertaking of the County (the "Notice") shall be published at least once by the State Board in *The State*, which is a newspaper having general circulation in Richland County, South Carolina.

4. The Notice to be published shall be in substantially the form as set forth in Exhibit A attached to this Resolution.

5. This Resolution shall take effect immediately.

EXHIBIT A

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

NOTICE IS HEREBY GIVEN that following the filing of a Petition by the County Council (the "County Council") of Richland County, South Carolina (the "County") to the State Budget and Control Board of South Carolina (the "State Board"), approval has been given by the State Board to the following undertaking (including changes in any details of said undertaking as finally consummated which do not materially affect said undertaking): (a) the issuance from time to time or at one time, in one or more issues or series, by the County of its refunding revenue bonds in the aggregate principal amount not to exceed \$71,705,000 (the "Bonds") pursuant to Title 4, Chapter 29 of the Code of Laws of South Carolina 1976, as amended (the "Act"), the proceeds of which shall be applied by International Paper Company, a New York corporation (the "Company"), to refund the County's \$71,705,000 Environmental Improvement Revenue Refunding Bonds, 2003 Series A (International Paper Company Project) (the "Prior Bonds"). The proceeds of the Prior Bonds were used by the Company to refinance certain pollution control and/or solid waste disposal facilities (the "Project") located at the Eastover Mill of the Company; and (b) the execution and delivery of certain documents necessary and/or desirable in connection therewith. Such documents prescribe the terms and conditions under which the Bonds will be issued, describe how the proceeds therefrom shall be applied and provide for the refinancing of the Project by refunding the Prior Bonds. The payment of the principal and purchase price of, premium, if any, and interest on the Bonds is to be guaranteed by the Company under such documents.

NOTICE IS FURTHER GIVEN that any interested party may, at any time within twenty days after the date of publication of this Notice, but not afterwards, challenge the validity of the action of the State Board in approving such undertaking of the County by action de novo instituted in the Court of Common Pleas for Richland County.

STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA

BY: Delbert H. Singleton, Jr., Secretary

PUBLICATION DATE:

____ day of February, 2014

RESOLUTION

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$6,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (MIDLAND VALLEY PREPARATORY SCHOOL 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**") is authorized to issue revenue bonds pursuant to Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended (the "**Act**"); and

WHEREAS, the Authority on November 13, 2013, approved the issuance of not exceeding \$6,000,000 of its Economic Development Revenue Bonds (Midland Valley Preparatory School Project) (the "**Bonds**") to defray the cost of acquiring a 30-acre parcel of land and a 53,000 square foot (partially completed) building and any and all related improvements, at 1200 Toolebeck Road in Aiken County, South Carolina and (to the extent necessary or appropriate) completion with remaining applicable construction, equipping and installation of such building and any applicable other improvements to permit the charter school to expand from approximately 194 students to 411 over the next four years, constituting a business enterprise (the "**Project**"), to be owned and operated by Midland Valley Preparatory School (the "**Borrower**"); and

WHEREAS, the Authority previously submitted its Petition to the State Budget and Control Board (the "**State Board**") dated November 13, 2013 (the "**Original Petition**") seeking approvals relative to the Bonds. The Borrower has informed the Authority that the Original Petition, however, requires correction as to the method of initial sale of the Bonds from that as inadvertently misstated in Paragraph 6 of the Original Petition; and

WHEREAS, the Authority has thus submitted an Amended Petition dated January 22, 2014 to the State Board in which Paragraph 6 thereof now correctly states that the Bonds will be issued through private sale to (a) one or more "accredited investors" and/or "qualified institutional buyers" (as such terms are defined in 17 CFR § 230.501 and 17 CFR § 230.144A(a) respectively) and/or (b) one or more accredited investors and/or qualified institutional buyers who invest through accredited investors and/or qualified institutional buyers. Said sale shall be conducted in a manner and to purchaser(s) acceptable to the Authority through such a private sale, which arrangement has been determined by the Authority to be most advantageous;

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 through private sale as described in the final "Whereas" clause above be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

AGENCY: Division of General Services

SUBJECT: University of South Carolina Lease-West Campus Development Leases

The University of South Carolina requests approval to execute a Master Lease for its West Campus Development project with separate Supplemental Leases for Student Housing and Office Building sites. Common provisions are provided in the Master Lease, while specific provisions pertaining to each project type are included in each of the Supplemental Leases. The Master Lease provides for ground leases for three specified sites to be used for the construction of two student housing facilities with a total of approximately 878 beds and required parking of 719 spaces, and one commercial office building of approximately 130,000 sq. ft. with parking provided by the University within the existing Horizon garage (427 spaces allocated) at the current University rate of \$85 per month per space, subject to future increases. The terms of the ground leases are 40 years each, with two 10-year renewal terms available upon the agreement of both parties. The forty-year base term for each lease begins upon Substantial Completion of each of the facilities and terminates at the end of the 40-year period, or if renewed, at the end of the renewal period(s). The Master Lease agreement begins upon final approval and signature of the parties, which triggers the beginning of a License Term to allow for the construction of the improvements prior to the 40-year Lease Term beginning.

USC will charge a license fee for the Student Housing of \$16,000 per month (\$192,000 annually) for the Phase I site, and \$10,500 per month (\$126,000 annually) for the Phase IA site to compensate for the loss of parking revenue during this period. There is no charge for the license for the Office Building Site because USC does not derive any revenue currently for that site. Each of the three sites has a Base Rent component that is based upon the appraised value of the site, with increases of 2.5% every 5 years, as well as a Percentage Rent component. Payment of the Base Rent for the ground leases is required regardless of the financial performance of the facilities as detailed below:

- a. *Student Housing Lease:*
 - (1) Beginning annual Base Rents:
 - (a) Phase I site (Blossom, Lincoln, Devine, and Park) - \$277,860;
 - (b) Phase IA site (Greene, Lincoln, Devine and Park) - \$175,560.
 - (2) Percentage Rent - In addition to the Base Rent, USC will receive 15% of Positive Cash Flow in years 1-30 and 50% in years 31-40.
- b. *Office Building Lease (550 Assembly):*
 - (1) Beginning annual Base Rent is \$72,600 for the Office Building site.
 - (2) Percentage Rent - In addition to the base rent, USC will receive 15% of Positive Cash Flow for the Office Building.

The total revenue to the University from the Ground Leases and the Percentage Rents over the 40 year term is estimated at \$168,531,925.

Additionally, USC will lease back approximately 40,000 SF of rentable space within the new Office building to be constructed at 550 Assembly Street in Columbia, South Carolina. The building will be constructed on a .79 acre parcel at the southeast corner of Assembly and Blossom Streets on the same block as the University's existing Horizon I Research Building and the Horizon Parking Facility. The space leased by the University will be used for faculty offices and academic support space. The balance of the space in the building will be leased by the Developer for private use.

AGENCY: Division of General Services

SUBJECT: University of South Carolina Lease-West Campus Development Leases

The building is being designed, built, financed, operated and maintained by a private developer as a component of a West Campus Development Public-Private Partnership between Holder Properties, Inc. and the University of South Carolina. Pursuant to SC Code Ann. 11-35-3010, the Office of the State Engineer approved the University of South Carolina's determination to use the design-build-finance-operate-maintain project delivery method and allowed the University to proceed in accordance with the Procurement Code. Design-build-finance-operate-maintain means a project delivery method in which the governmental body enters into a single contract for design, construction, finance, maintenance and operation of an infrastructure facility over a contractually defined period.

The Office building is projected to be five stories and contain approximately 130,000 gross square feet. The building will be constructed of similar quality and appearance to adjacent University facilities. The Developer is contractually obligated to complete the building enabling occupancy on or before July 31, 2017. The University seeks to lease approximately 40,000 SF of rentable area on two floors. The University will utilize the space for faculty offices and academic support space to augment the College of Engineering and Computing. This college, currently accommodated in the Swearingen building and the 300 Main Street building, seeks to relocate faculty offices and support space to enable existing space in those buildings to be reassigned to instructional, lab and research space. Leasing space in the new office building will afford USC this opportunity.

The lease term will be ten (10) years commencing on or before July 31, 2017. USC will have the right to extend the term of this lease for up to two (2) consecutive terms of five (5) years each upon the same terms and conditions of the original lease except for Basic Rent, which will increase at 2.5% per annum. The landlord shall provide \$25 per SF for upfitting costs. Base rent will be \$16.60 per square foot for the first year of the lease. Thereafter, base rent increases annually as shown in the chart below:

Year	Base Rent Rate/SF	Annual Rent
1	\$16.60	\$664,000.00
2	\$17.02	\$680,800.00
3	\$17.45	\$698,000.00
4	\$17.89	\$715,600.00
5	\$18.34	\$733,600.00
6	\$18.80	\$752,000.00
7	\$19.27	\$770,800.00
8	\$19.75	\$790,000.00
9	\$20.24	\$809,600.00
10	\$20.75	\$830,000.00
Average	\$18.61	
Total		\$7,444,400.00

AGENCY: Division of General Services

SUBJECT: University of South Carolina Lease-West Campus Development Leases

The University will be responsible for all operating costs as defined in the lease agreement and associated with the leased area. There are adequate funds for the lease according to a Budget Approval Form submitted by the University. The University has indicated that no student fee increase will be associated with this lease.

It is essential that the leased space which accommodates the need described above be near the USC campus for accessibility of the faculty, who will be located in this building, to the academic and lab space in the Swearingen and 300 Main Street buildings. USC has surveyed the lease market for 40,000 SF of suitable space near the campus and such space could not be located. However, the following chart represents comparable lease rates of similar business space, currently occupied, in the Columbia central business district:

Location	Base Rent Rate/SF
1320 Main Street (Meridian Bldg.)	\$16.75
1221 Main Street	\$24.00

BOARD ACTION REQUESTED:

As requested by the University of South Carolina, approve the proposed leases for the University's West Campus Development project.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; USC letter dated February 11, 2014

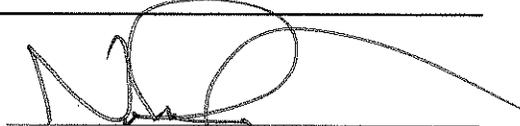
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: February 26, 2014

Regular Agenda

1. Submitted by:

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


Nolan L. Wiggins, Jr., Director

2. Subject: University of South Carolina Lease-West Campus Development Leases

3. Summary Background Information:

The University of South Carolina requests approval to execute a Master Lease for its West Campus Development project with separate Supplemental Leases for Student Housing and Office Building sites. Common provisions are provided in the Master Lease, while specific provisions pertaining to each project type are included in each of the Supplemental Leases. The Master Lease provides for ground leases for three specified sites to be used for the construction of two student housing facilities with a total of approximately 878 beds and required parking of 719 spaces, and one commercial office building of approximately 130,000 sq. ft. with parking provided by the University within the existing Horizon garage (427 spaces allocated) at the current University rate of \$85 per month per space, subject to future increases. The terms of the ground leases are 40 years each, with two 10-year renewal terms available upon the agreement of both parties. The forty-year base term for each lease begins upon Substantial Completion of each of the facilities and terminates at the end of the 40-year period, or if renewed, at the end of the renewal period(s). The Master Lease agreement begins upon final approval and signature of the parties, which triggers the beginning of a License Term to allow for the construction of the Improvements prior to the 40-year Lease Term beginning.

USC will charge a license fee for the Student Housing of \$16,000 per month (\$192,000 annually) for the Phase I site, and \$10,500 per month (\$126,000 annually) for the Phase IA site to compensate for the loss of parking revenue during this period. There is no charge for the license for the Office Building Site because USC does not derive any revenue currently for that site. Each of the three sites has a Base Rent component that is based upon the appraised value of the site, with increases of 2.5% every 5 years, as well as a Percentage Rent component. Payment of the Base Rent for the ground leases is required regardless of the financial performance of the facilities as detailed below:

- a. *Student Housing Lease:*
 - (1) Beginning annual Base Rents:
 - (a) Phase I site (Blossom, Lincoln, Devine, and Park) - \$277,860;
 - (b) Phase IA site (Greene, Lincoln, Devine and Park) - \$175,560.
 - (2) Percentage Rent - In addition to the Base Rent, USC will receive 15% of Positive Cash Flow in years 1-30 and 50% in years 31-40.
- b. *Office Building Lease (550 Assembly):*
 - (1) Beginning annual Base Rent is \$72,600 for the Office Building site.

- (2) Percentage Rent - In addition to the base rent, USC will receive 15% of Positive Cash Flow for the Office Building.

The total revenue to the University from the Ground Leases and the Percentage Rents over the 40 year term is estimated at \$168,531,925.

Additionally, USC will lease back approximately 40,000 SF of rentable space within the new Office building to be constructed at 550 Assembly Street in Columbia, South Carolina. The building will be constructed on a .79 acre parcel at the southeast corner of Assembly and Blossom Streets on the same block as the University's existing Horizon I Research Building and the Horizon Parking Facility. The space leased by the University will be used for faculty offices and academic support space. The balance of the space in the building will be leased by the Developer for private use.

The building is being designed, built, financed, operated and maintained by a private developer as a component of a West Campus Development Public-Private Partnership between Holder Properties, Inc. and the University of South Carolina. Pursuant to SC Code Ann. 11-35-3010, the Office of the State Engineer approved the University of South Carolina's determination to use the design-build-finance-operate-maintain project delivery method and allowed the University to proceed in accordance with the Procurement Code. Design-build-finance-operate-maintain means a project delivery method in which the governmental body enters into a single contract for design, construction, finance, maintenance and operation of an infrastructure facility over a contractually defined period.

The Office building is projected to be five stories and contain approximately 130,000 gross square feet. The building will be constructed of similar quality and appearance to adjacent University facilities. The Developer is contractually obligated to complete the building enabling occupancy on or before July 31, 2017. The University seeks to lease approximately 40,000 SF of rentable area on two floors. The University will utilize the space for faculty offices and academic support space to augment the College of Engineering and Computing. This college, currently accommodated in the Swearingen building and the 300 Main Street building, seeks to relocate faculty offices and support space to enable existing space in those buildings to be reassigned to instructional, lab and research space. Leasing space in the new Office building will afford USC this opportunity.

The lease term will be ten (10) years commencing on or before July 31, 2017. USC will have the right to extend the term of this lease for up to two (2) consecutive terms of five (5) years each upon the same terms and conditions of the original lease except for Basic Rent, which will increase at 2.5% per annum. The landlord shall provide \$25 per SF for upfitting costs. Base rent will be \$16.60 per square foot for the first year of the lease. Thereafter, base rent increases annually as shown in the chart below:

Year	Base Rent Rate/SF	Annual Rent
1	\$16.60	\$664,000.00
2	\$17.02	\$680,800.00
3	\$17.45	\$698,000.00
4	\$17.89	\$715,600.00
5	\$18.34	\$733,600.00
6	\$18.80	\$752,000.00
7	\$19.27	\$770,800.00

8	\$19.75	\$790,000.00
9	\$20.24	\$809,600.00
10	\$20.75	\$830,000.00
Average	\$18.61	
Total		\$7,444,400.00

The University will be responsible for all operating costs as defined in the lease agreement and associated with the leased area. There are adequate funds for the lease according to a Budget Approval Form submitted by the University. The University has indicated that no student fee increase will be associated with this lease.

It is essential that the leased space which accommodates the need described above be near the USC campus for accessibility of the faculty, who will be located in this building, to the academic and lab space in the Swearingen and 300 Main Street buildings. USC has surveyed the lease market for 40,000 SF of suitable space near the campus and such space could not be located. However, the following chart represents comparable lease rates of similar business space, currently occupied, in the Columbia central business district:

Location	Base Rent Rate/SF
1320 Main Street (Meridian Bldg.)	\$16.75
1221 Main Street	\$24.00

4. What is the Board asked to do? Approve the proposed leases for the University of South Carolina for its West Campus Development project.

5. What is recommendation of the Division of General Services? Consider approval of the proposed leases for the University of South Carolina for its West Campus Development project.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- USC Letter Dated February 11, 2014

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.



February 11, 2014

ASSOCIATE VICE PRESIDENT FOR
BUSINESS AFFAIRS

Ashlie Lancaster
Deputy Director
Division of General Services
SC Budget & Control Board
1200 Senate Street, Suite 460
Wade Hampton Building
Columbia, SC 29201

Re: University of South Carolina Leases-West Campus Development Project

Dear Ms. Lancaster,

The University of South Carolina requests approval from the Budget and Control Board to enter into three Ground Leases with a Developer, Holder Properties, Inc. that are lease-outs of University property and to enter into a lease of 40,000 square feet of office space in a building that is being constructed on one of the Ground Lease sites. The Developer was selected through an RFP process governed by the South Carolina Consolidated Procurement Code and overseen by the Office of the State Engineer.

The Ground Leases for the project include a Master Lease with separate Supplemental Leases for two Student Housing and one Office Building site. Common provisions governing the leases for all three sites are provided in the Master Lease, while specific provisions pertaining to each project type are included in each of the Supplemental Leases. The Master Lease provides for ground leases for the three specified sites to be used for the construction of two student housing facilities with a total of approximately 878 beds and required parking of 719 spaces, and one commercial office building of approximately 130,000 sq. ft. with parking provided by the University within the existing Horizon garage (427 spaces allocated) at the current University rate of \$85 per month per space, subject to future increases. The terms of the ground leases are 40 years each, with two 10-year renewal terms available upon the agreement of both parties. The forty-year base term for each lease begins upon Substantial Completion of each of the facilities and terminates at the end of the 40-year period, or if renewed, at the end of the renewal period(s). The Master Lease agreement begins upon final approval and signature of the parties, which triggers the beginning of a License Term to allow for the construction of the Improvements prior to the 40-year Lease Term beginning.

USC will charge a license fee for the Student Housing of \$16,000 per month (\$192,000 annually) for the Phase I site, and \$10,500 per month (\$126,000 annually) for the Phase IA site to compensate for the loss of parking revenue during this period. There is no charge for the license for the Office Building Site because USC does not derive any revenue currently for that site. Each of the three sites has a Base Rent component that is derived from a value exceeding appraised or fair market value established through an MAI appraisal process, with increases of 2.5% every 5 years, as well as a Percentage Rent component. Payment of the Base Rent for the ground leases is required regardless of the financial performance of the facilities as detailed below:

- a. *Student Housing Lease:*
 - (1) Beginning annual Base Rents:
 - (a) Phase I site (Blossom, Lincoln, Devine, and Park) - \$277,860;
 - (b) Phase IA site (Greene, Lincoln, Devine and Park) - \$175,560
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- b. *Office Building Lease (550 Assembly):*
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The total revenue to the University from the Ground Leases and the Percentage Rents over the 40 year period is estimated at \$168,531,925.

Additionally, USC will lease back approximately 40,000 SF of rentable space within the new Office building to be constructed at 550 Assembly Street in Columbia, South Carolina. The building will be constructed on a .79 acre parcel at the southeast corner of Assembly and Blossom Streets on the same block as the University's existing Horizon I Research Building and the Horizon Parking Facility. The space leased by the University will be used for faculty offices and academic support space. The balance of the space in the building will be leased by the Developer for private use.

The building is being designed, built, financed, operated and maintained by a private developer as a component of a West Campus Development Public-Private Partnership between Holder Properties, Inc. and the University of South Carolina. Pursuant to SC Code Ann. 11-35-3010, the Office of the State Engineer approved the University of South Carolina's determination to use the design-build-finance-operate-maintain project delivery method and allowed the University to proceed in accordance with the Procurement Code. Design-build-finance-operate-maintain means a project delivery method in which the governmental body enters into a single contract for design, construction, finance, maintenance and operation of an infrastructure facility over a contractually defined period.

The Office building is projected to be five stories and contain approximately 130,000 gross square feet. The building will be constructed of similar quality and appearance to adjacent University facilities. The Developer is contractually obligated to complete the building enabling occupancy on or before July 31, 2017. The University seeks to lease approximately 40,000 SF of rentable area on

two floors. The University will utilize the space for faculty offices and academic support space to augment the College of Engineering and Computing. This college, currently accommodated in the Swearingen building and the 300 Main Street building, seeks to relocate faculty offices and support space to enable existing space in those buildings to be reassigned to instructional, lab and research space. Leasing space in the new Office building will afford USC this opportunity.

The lease term will be ten (10) years commencing on or before July 31, 2017. USC will have the right to extend the term of this lease for up to two (2) consecutive terms of five (5) years each upon the same terms and conditions of the original lease except for Basic Rent, which will increase at 2.5% per annum. The landlord will provide \$25 per SF for upfitting costs. Base rent will be \$16.60 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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10	\$20.75	\$830,000.00
Average	\$18.61	
Total		\$7,444,400.00

The University will be responsible for all operating costs as defined in the lease agreement and associated with the leased area. There are adequate funds for the lease. No student fee increase will be associated with this lease.

It is essential that the leased space which accommodates the need described above be near the USC campus for accessibility of the faculty, who will be located in this building, to the academic and lab space in the Swearingen and 300 Main Street buildings. USC has surveyed the lease market for

40,000 SF of suitable space near the campus and such space could not be located. However, the following chart represents comparable lease rates of similar business space, currently occupied, in the Columbia central business district:

Location	Base Rent Rate/SF
1320 Main Street (Meridian Bldg.)	\$16.75
1221 Main Street	\$24.00

We respectfully request that the Budget and Control Board approve the Master Lease for its West Campus Development project with separate Supplemental Leases for Student Housing and Office Building sites. We also request that the Budget and Control Board approve the proposed 10 year lease for the University of South Carolina to lease back 40,000 rentable square feet from Holder Properties, Inc. in a building to be constructed at 550 Assembly Street in Columbia, South Carolina on the University campus.

If we can offer additional information to assist with the evaluation of these lease requests, please do not hesitate to contact our office.

Sincerely,



Helen T. Zeigler

Associate Vice President for Business Affairs

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. Approval of these items is contingent on their approval by the Joint Bond Review Committee on February 25, 2014.

Establish Project for A&E Design

- (a) Summary 5-2014: JBRC Item 1. Clemson University
Project: 9914, Littlejohn Coliseum Renovation
Funding Source: \$1,300,000 Other, Private – Athletic funds which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purpose.
Request: Establish project and budget for \$1,300,000 (Other, Private - Athletic funds) to begin design work to do a comprehensive renovation of Littlejohn Coliseum at Clemson. The original 125,000 square foot facility was constructed in 1967. In 2001 an approximately 75,000 square foot annex was added along with the replacement of the original roof and truss system. The proposed project will maintain the footprint of the structure but will demolish, reconfigure, and upgrade the bulk of the interior space and the building infrastructure. In addition, significant transformations to the exterior will be made with a large ceremonial entry way constructed and two enhanced functional entry ways added on the south corners. The renovations will include an upgraded playing arena and seating bowl with 8,500 seats, increased premium level seating from 40 seats to 500 seats, and a NCAA regulation practice facility. The repurposing of existing programming within the current footprint will allow for increased useable space. The facility will incorporate all aspects of the men's and women's basketball program operations, including the coaches offices, weight rooms, locker rooms, recruitment gathering spaces, and video editing/theater areas. The project is needed to elevate program potential and enhance recruitment by providing facilities that are consistent with other top tier programs nationwide.
- (b) Summary 5-2014: JBRC Item 2. Clemson University
Project: 9915, West Campus Energy Plant Construction
Funding Source: \$156,975 Other, Maintenance and Stewardship funds, which are comprised of tuition, matriculation and other debt retirements and plant transfer revenues that are restricted to support capital investments and that are not formally obligated to fund debt service in the current period.
Request: Establish project and budget for \$156,975 (Other, Maintenance and Stewardship funds) to begin design work to construct an energy plant on West Campus at Clemson. The scope of this project is to construct a new energy plant in the west campus district that will add 2,400 tons of chilling capacity to the university's current campus chilling capacity of 11,000 tons. The facility will be primarily a chilled water facility with underground piping including high efficiency centrifugal chillers, evaporative cooling towers, energy efficient controls and variable speed pumps. The facility will be located near Littlejohn

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

Coliseum with the exact location to be determined during pre-design. There is a need to add plant capacity for planned future growth and redundancy associated with outages due to aging central utility infrastructure. Campus growth and HVAC upgrades as planned will exceed available central district cooling system production and distribution capabilities by 2016.

(c) Summary 5-2014: JBRC Item 3. Clemson University

Project: 9916, Memorial Stadium Suites Renovation

Funding Source: \$375,000 Other Private – Athletic funds which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purpose.

Request: Establish project and budget for \$375,000 (Other, Private - Athletic funds) to begin design work to do a comprehensive renovation of Memorial Stadium Suites and Concourses at Clemson. The suites and concourses have not had any substantial renovations in 35 years. The project will address life cycle issues, add 750 premium seats, provide enhanced amenities including completely redesigned space with an upgraded lighting system, improved access points, the addition of operable windows, and HVAC replacement. In addition, the renovation addresses several critical structural issues and repairs water intrusion issues, addresses ADA noncompliance issues with elevators and stair access, and provide a safe and more secure building at night through additional lighting.

(d) Summary 5-2014: JBRC Item 4. Francis Marion University

Project: 9568, Medical and Health Science Complex Construction

Funding Source: \$232,500 Other, Private – Grant funds which are a grant from the City of Florence specifically for this project.

Request: Establish project and budget for \$232,500 (Other, Private-Grant funds) to begin design work to construct a Medical and Health Sciences Complex in downtown Florence, SC. The new multi-level facility will have approximately 50,000 square feet and will accommodate a variety of the University's Medical and Health Science Programs to include the already approved Masters in Family Nurse Practitioner Program, Masters in Nurse Educator Program, and Masters in Applied Psychology Program. The facility will also be able to accommodate the Physician Assistant Program, which is currently pending approval by the Commission on Higher Education. Also, the facility will house the third and fourth year USC Medical Student Program. The facility will include classrooms, conference rooms, locker rooms and offices. The site plan also includes sidewalks, parking and landscaping features, as well as exterior lighting and a security system.

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

- (e) Summary 5-2014: JBRC Item 5. Department of Corrections
Project: 9715, Lee Correctional Institute - Thermal Surveillance System
Funding Source: \$12,000 Other, FY13 Carry Forward funds, which are agency funds carried over from the previous fiscal year.
Request: Establish project and budget for \$12,000 (Other, FY13 Carry Forward funds) to begin design work for security upgrades at the Department of Corrections' Lee Correctional Institute. The work will include the installation of a thermal security camera surveillance system for the perimeter of the facility. Perimeter security both keeps inmates from leaving the property and prevents contraband from entering the institution via the perimeter fence. This system will complement the existing security system by providing high quality imagery at night and in challenging weather conditions. The Department of Corrections will use in-house inmate work forces for installation of the surveillance system, supplemented by outside contractors if needed.
- (f) Summary 5-2014: JBRC Item 6. Department of Parks, Recreation and Tourism
Project: 9733, Dreher Island State Park Marina Replacement
Funding Source: \$15,000 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: Establish budget and project for \$15,000 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to replace the existing marina/docks and associate utilities at Dreher Island State Park in Newberry County. 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 current condition has limited their ability to generate revenue and improve access to the lake. Dreher Island State Park is located on Lake Murray and one of the main boat access points on the upper part of the lake. PRT reports that there were 214,948 visitors to the park in fiscal year 2013.
- (g) Summary 5-2014: JBRC Item 7. Department of Parks, Recreation and Tourism
Project: 9734, Dreher Island Camper Cabin Construction
Funding Source: \$7,500 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: Establish budget and project for \$7,500 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to construct 10 camper cabins and renovation of an existing restroom at Dreher Island State Park in Newberry County. 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

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

State Park in 2005 have been popular and profitable. Dreher Island State Park is located on Lake Murray and 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 fiscal year 2013.

- (h) Summary 5-2014: JBRC Item 8. Department of Parks, Recreation and Tourism
Project: 9735, Lake Wateree Campground Expansion
Funding Source: \$15,000 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: Establish budget and project for \$15,000 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to expand the campground and associated infrastructure at Lake Wateree State Park Campground in Fairfield County. 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 fiscal year 2013.
- (i) Summary 5-2014: JBRC Item 9. Department of Parks, Recreation and Tourism
Project: 9736, Huntington Beach Campground Expansion
Funding Source: \$15,000 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: Establish budget and project for \$15,000 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to expand the campground and associated infrastructure at Huntington Beach State Park Campground in Georgetown County. 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 103 site campground is heavily used with demand significantly exceeding supply during peak demand periods. Huntington Beach State Park had 595,703 visitors during fiscal year 2013.
- (j) Summary 5-2014: JBRC Item 10. Department of Parks, Recreation and Tourism
Project: 9737, Lake Hartwell Camper Cabin Construction
Funding Source: \$7,500 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.
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AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

Request: Establish budget and project for \$7,500 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to construct 10 camper cabins and renovation of an existing restroom at Lake Hartwell State Park in Oconee County. 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. PRT reports that there were 62,264 visitors to the park in fiscal year 2013.

(k) Summary 5-2014: JBRC Item 11. Department of Parks, Recreation and Tourism

Project: 9738, Hunting Island Campground Improvements

Funding Source: \$18,750 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: Establish budget and project for \$18,750 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to renovate the campground at Hunting Island State Park in Beaufort County. 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 the 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 fiscal year 2013, making it the second most visited park in the state last year.

(l) Summary 5-2014: JBRC Item 12. Department of Parks, Recreation and Tourism

Project: 9739, Santee State Park Campground Improvements

Funding Source: \$11,250 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: Establish budget and project for \$11,250 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to renovate the campground at Santee State Park in Orangeburg County. 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 the 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 fiscal year 2013.

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

- (m) Summary 5-2014: JBRC Item 13. Department of Parks, Recreation and Tourism
Project: 9740, Table Rock State Park Campground Improvements
Funding Source: \$7,500 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: Establish budget and project for \$7,500 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to renovate the campground at Table Rock State Park in Pickens County. The scope of the project is to renovate the existing 25 campsite campground along with the associated infrastructure to include restroom/shower facilities, the electrical, water and sewage systems, and the 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 fiscal year 2013.
- (n) Summary 5-2014: JBRC Item 14. Department of Parks, Recreation and Tourism
Project: 9741, Landrum Welcome Center Renovation
Funding Source: \$7,500 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: Establish budget and project for \$7,500 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to renovate the lobby/gallery portion of the Landrum Welcome Center along I-26 in Spartanburg County. 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 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.

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

Establish Construction Budget

- (o) Summary 5-2014: JBRC Item 15. Clemson University
Project: 9901, Memorial Stadium WEZ Component III Construction
Funding Source: \$8,000,000 Athletic Facility Revenue Bonds which are long-term debt instruments repaid with a combination of athletic operating net revenues, ticket surcharges, private gifts and contributions from the Clemson Athletics Facilities Trust endowment.
Request: Increase budget to \$8,000,000 (add \$8,000,000 Athletic Facility Revenue Bond funds, reduce \$225,000 Other, Private funds) to construct the third and final phase of updates to the west end zone of Clemson's Memorial Stadium. The project was established for pre-design in June 2012, which is now complete. The final phase will include the a build out of the entrance to the WestZone Complex, known as the Oculus, as well as a new mid-level pedestrian walkway creating a direct connection between the North and South stands. The project will also alleviate pedestrian congestion in stadium exit routes, significantly enhancing emergency egress. The renovation will encompass approximately 6,000 square feet of the stadium and existing plaza. The agency reports the total projected cost of this project is \$8,000,000 and additional annual operating costs ranging from \$36,000 to \$38,192 will result in the three years following project completion. Pursuant to Section 59-119-940, the Athletic Facilities Revenue Bond issuance is anticipated not to exceed \$8.3 million. The agency also reports the projected date for execution of the construction contract is July 2014 and for completion of construction is February 2015.
- (p) Summary 5-2014: JBRC Item 16. Medical University of South Carolina
Project: 9827, Thurmond Gazes 2nd Floor Renovation
Funding Source: \$3,900,000 which includes \$1,000,000 Other, College of Medicine Clinical Revenue funds which are revenues derived from the College of Medicine's clinics and \$2,900,000 Other, Medical University Hospital Authority Clinical Revenue funds which are revenues derived from Medical University Hospital Authority patient revenues.
Request: Increase budget to \$3,900,000 (add \$3,841,500: \$2,900,000 Other, Medical University Hospital Authority Clinical Revenue and \$941,500 Other, College of Medicine Clinical Revenue funds) to renovate the second floor of the Thurmond Gazes Building at MUSC. The project was established for pre-design in December 2013, which is now complete. The renovation will encompass approximately 22,000 square feet and will include reconfiguring existing space, constructing new walls, providing new finishes, equipment and furnishings, and renovating the fire suppression, plumbing, HVAC, electrical and information technology systems to accommodate the space. The renovation will consolidate faculty, residents, fellows and staff from the departments of surgery and medicine in one location, maintain clinical efficiency, create greater synergy between all university missions, and result in a cost reduction from rent expenses. Some utility renovations will also be

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

performed on the third floor to accommodate the relocation of labs from the second floor. Energy efficient lighting and water conserving plumbing fixtures will be utilized in the renovation. The agency reports the total projected cost of this project is \$3,900,000 and no additional annual operating costs will result from this project. The projected date for execution of the construction contract is July 2014 and for completion of construction is February 2015.

Revise Scope and Increase Budget

- (q) Summary 5-2014: JBRC Item 17. Coastal Carolina University
Project: 9596, Singleton Building Renovation
Funding Source: \$135,000 Other, Renovation Reserve/Plant Expansion funds which are revenues derived from a \$150 per semester student fee that are used for renovations, repairs and additions to existing facilities.
Request: Increase budget to \$135,000 (add \$75,000 Other, Renovation Reserve/Plant Expansion funds) to revise the scope and increase the budget for pre-design services to renovate the 32,635 square foot Singleton Building at Coastal Carolina. The project was established in March 2013 for pre-design services. The work was original to include renovating the HVAC, electrical and plumbing systems, replacing the existing elevator and installing a second elevator for ADA compliance, removing remaining asbestos in ceilings and floors, and upgrading lighting and interior finishes. The building, which houses university administrative offices, is 50 years old and has not had a major renovation since it was constructed. The revised scope will add several structural layout changes to include an event space, reconfiguration of administrative offices, and reconfiguration of the President's suite in regard to service and security. The revised scope will also incorporate renovations to restrooms, the installation of an additional handicap ramp, electrical code compliance, and more extensive renovations to the HVAC systems than originally planned.

Increase Budget

- (r) Summary 5-2014: JBRC Item 18. The Citadel
Project: 9608, Citadel Deferred Maintenance - 2012
Funding Source: \$2,045,610 which includes \$737,691 in FY 2011-12 Capital Reserve Funds appropriated by the General Assembly, \$412,919 in Other, FY 2012-2013 Lottery Deferred Maintenance Funds, which were allocated to higher education institutions by proviso for deferred maintenance needs, \$505,000.00 in Other, Institutional Capital Project Funds, which are derived from excess debt service on State Institution Bonds, and \$390,000 Citadel Deferred Maintenance Funds, which are funded from Education and General Fund carry forward from prior fiscal years.

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

Request: Increase budget to \$2,045,610 (add \$895,000: \$505,000 Institutional Capital Project and \$390,000 Citadel Deferred Maintenance funds) to increase the budget for the installation of a fire sprinkler system and fire alarm system in the Daniel Library at The Citadel. This project was established in December 2012 with legislatively authorized funds for deferred maintenance. The scope of the original project included the installation of a fire sprinkler system in Daniel Library, the renovation of the Jenkins Hall auditorium, the renovation of the Byrd Hall auditorium and ventilation improvements to the Byrd Hall Chemistry Stockroom. While preparing to begin installation of the fire sprinkler system, it was discovered that extensive additional work would be required due to the age of the systems involved and the construction of the ceiling support system. The library is 56 years old and there is not an existing fire sprinkler system in place. The fire alarm system is original to the building and in need of replacement as well. The agency reports the total projected cost of this project is \$2,045,610 and no additional annual operating costs will result from this project. The projected date for execution of the revised construction contract is April 2014 and for completion of construction is September 2014.

(s) Summary 5-2014: JBRC Item 19. Clemson University

Project: 9891, Freeman Hall Expansion

Funding Source: \$10,000,000 which includes \$9,000,000 State Institution Bonds, which are general obligation debt of the State backed by a pledge of University tuition and fees, \$902,500 Other, Operating Revenue funds which are derived from an online Master of Engineering in Industrial Engineering Program and from similar other program fees received by the College of Engineering and Sciences from other University programs, and \$97,500 Other, Institutional Capital Projects funds which are derived from excess debt service on State Institution Bonds.

Request: Increase budget to \$10,000,000 (add \$9,000,000 State Institutional Bonds, reduce \$5,500,000 Operating Revenue funds) to expand Freeman Hall, which houses the Industrial Engineering Department at Clemson. The project was established for pre-design in October 2010, increased to establish the construction budget in September 2011, and bids were received in December 2012. All bids exceeded the approved budget due to the small project size and high complexity, difficult site locations, and complex code issues in uniting a new addition with an old facility. Clemson redesigned the project, reducing the size of the addition from 23,000 to 21,000 square feet to keep costs down, but additional funds are still needed to rebid the project. The work will include adding classrooms and offices, demolishing a small portion of the old facility, providing ADA accessibility and upgrading HVAC, information technology and other infrastructure. The addition will be constructed to LEED Silver certification and will include installation of sustainable sites, energy and atmosphere, indoor environmental quality and other measures. The LEED cost benefit analysis shows a positive cost benefit of \$475,100 over 30 years. The agency reports the total projected cost of this project is \$10,000,000 and

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

additional annual operating costs ranging from \$92,800 to \$96,100 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is May 2014 and for completion of construction is August 2015.

(t) Summary 5-2014: JBRC Item 20. Budget and Control Board

Project: 9855, Calhoun Building Renovations

Funding Source: \$6,867,031 which includes \$2,107,158.26 in FY 2006-07 Supplemental funds, which were appropriated by the General Assembly, \$1,195,414.74 in Other, Depreciation Reserve funds, which are derived from the rent account which receives rent charged to agencies and \$3,564,458 in Other, SC Judicial Department Funds which are Judicial Department carry-forward funds.

Request: Increase budget to \$6,867,031 (add \$664,559 Other, SC Judicial Department funds) to obtain final design and construction services in order to add building security system improvements to the John C. Calhoun Building on the Capital Complex, which houses the Court of Appeals and administrative functions of the Judicial Department.. The project was established for pre-design in January 2008 and established for construction in August 2009 to do exterior renovations to the building, which are nearing completion. The project budget was increased in January 2013 for renovations of approximately 12,500 square feet on the ground floor of the facility to allow for a more efficient use of space and restore the North entrance to the building. A professional security study of the building was completed in September 2013, and the design and preliminary budget for this system are based on that study. Currently, the Calhoun building has only a single security camera and monitoring station, and access control is limited to 3 doors. The new system will be incorporated into the ground floor and new main entrance, currently under renovation, as well as provide monitoring and access control to other key areas throughout the building. The agency is requesting this increase in order to ensure close coordination with the current renovation work while it is still underway. The agency reports the total projected cost of this project, is \$6,867,031 and additional annual operating costs of \$10,033 will result from the project. The projected date for execution of the construction contract for the security system work is June 2014 and for completion of construction is December 2014.

BOARD ACTION REQUESTED:

Approve permanent improvement project establishment requests and budget revisions. Approval of these items is contingent on their approval by the Joint Bond Review Committee on February 25, 2014.

ATTACHMENTS:

Attachments

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

1. AGENCY CODE: H12 NAME: Clemson University
2. PROJECT #: _____ NAME: Memorial Stadium WEZ Component III 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) 2014-2015			\$36,000.00	\$36,000.00
2) 2015-2016			\$37,080.00	\$37,080.00
3) 2016-2017			\$38,192.00	\$38,192.00

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 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>	\$18,000.00
2. <u>Maintenance</u>	\$18,000.00
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	\$36,000.00

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

9. Submitted By: *John McEntire* 1-24-14
 Signature of Authorized Official and Title Date

John McEntire, Director Capital Projects
VP for Finance & Operations

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

1. AGENCY CODE: H12 NAME: Clemson University
2. PROJECT #: 9891 NAME: Freeman Hall 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
1) 2015			\$92,500.00	\$92,500.00
2) 2016			\$94,200.00	\$94,200.00
3) 2017			\$96,100.00	\$96,100.00

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

University Generated Funds

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 per year starting in 2015</u>	<u>\$29,040.00</u>
2. <u>Maintenance per year starting in 2015</u>	<u>\$63,460.00</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	\$92,500.00

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

9. Submitted By: *John McEntire* 10/21/13
 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 F03 Name SC State Budget and Control Board / Division of General Services

2. PROJECT
Project # 9855 Name Calhoun Building - Renovations

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) 2013-14	\$	\$	\$0	\$0
2) 2014-15	\$	\$	\$0	\$0
3) 2015-16	\$	\$	\$10,033	\$10,033

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

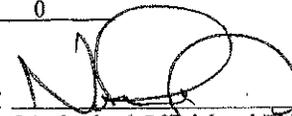
SC Judicial Department -- Other funds carried forward in Account #30860000

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>The first 2 years of maintenance will be included in the</u>	_____
2. <u>original installation contract. We recommend budgeting</u>	_____
3. <u>approx. 2% of construction for maintenance cost beginning</u>	_____
4. <u>in the 3rd year. This is to cover door hardware, camera,</u>	_____
5. <u>and computer hardware repairs / replacements.</u>	_____
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: Nolan Wiggins, Director  1.21.14
Signature of Authorized Official and Title Date

Permanent Improvement Project Information for February 26, 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
H12-9914	Clemson University - Littlejohn Coliseum Renovation	\$1,300,000 pre-design	2/26/14	\$1,300,000	2/26/14	No	To Be Determined
H12-9915	Clemson University - West Campus Energy Plant Construction	\$156,975 pre-design	2/26/14	\$156,975	2/26/14	No	To Be Determined
H12-9916	Clemson University - Memorial Stadium Suites Renovation	\$375,000 pre-design	2/26/14	\$375,000	2/26/14	No	To Be Determined
H18-9568	Francis Marion University - Medical and Health Science Complex Construction	\$232,500 pre-design	2/26/14	\$232,500	2/26/14	No	To Be Determined
N04-9571	Department of Corrections - Lee Correctional Institute Thermal Surveillance System	\$12,000 pre-design	2/26/14	\$12,000	2/26/14	No	To Be Determined
P28-9733	Department of Parks, Recreation and Tourism - Dreher Island State Park Marina Replacement	\$15,000 pre-design	2/26/14	\$15,000	2/26/14	No	To Be Determined
P28-9734	Department of Parks, Recreation and Tourism - Dreher Island Camper Cabin Construction	\$7,500 pre-design	2/26/14	\$7,500	2/26/14	No	To Be Determined
P28-9735	Department of Parks, Recreation and Tourism - Lake Wateree Campground Expansion	\$15,000 pre-design	2/26/14	\$15,000	2/26/14	No	To Be Determined
P28-9736	Department of Parks, Recreation and Tourism - Huntington Beach Campground Expansion	\$15,000 pre-design	2/26/14	\$15,000	2/26/14	No	To Be Determined

Permanent Improvement Project Information for February 26, 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
P28-9737	Department of Parks, Recreation and Tourism - Lake Hartwell Camper Cabin Construction	\$7,500 pre-design	2/26/14	\$7,500	2/26/14	No	To Be Determined
P28-9738	Department of Parks, Recreation and Tourism - Hunting Island Campground Improvements	\$18,750 pre-design	2/26/14	\$18,750	2/26/14	No	To Be Determined
P28-9739	Department of Parks, Recreation and Tourism - Santee State Park Campground Improvements	\$11,250 pre-design	2/26/14	\$11,250	2/26/14	No	To Be Determined
P28-9740	Department of Parks, Recreation and Tourism - Table Rock State Park Campground Improvements	\$7,500 pre-design	2/26/14	\$7,500	2/26/14	No	To Be Determined
P28-9741	Department of Parks, Recreation and Tourism - Landrum Welcome Center Renovation	\$7,500 pre-design	2/26/14	\$7,500	2/26/14	No	To Be Determined
H12-9901	Clemson University - Memorial Stadium WEZ Component III Construction	\$225,000 pre-design	6/21/12	\$225,000	6/21/12	2014 CPIP Year 1	\$8,000,000
H51-9827	Medical University of South Carolina - Thurmond Gazes 2nd Floor Renovation	\$58,500 pre-design	9/3/13	\$58,500	9/3/13	No	\$3,900,000
H17-9596	Coastal Carolina University - Singleton Building Renovation	\$60,000 pre-design	3/5/13	\$60,000 pre-design	3/5/13	2012 CPIP Year 1	To Be Determined
H09-9608	The Citadel - Citadel Deferred Maintenance 2012	\$1,150,610 pre-design	12/11/12	N/A	N/A	2012 CPIP Year 1	\$2,045,610
H12-9891	Clemson University - Freeman Hall Expansion	\$97,500 pre-design	9/29/10	\$97,500	9/29/10	No	\$10,000,000

Permanent Improvement Project Information for February 26, 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
F03-9855	Budget and Control Board - Calhoun Building Renovations pre-design	\$99,275	1/31/08	\$99,275	1/31/08	No	\$6,867,031

STATE BUDGET AND CONTROL BOARD
MEETING of February 26, 2014

REGULAR SESSION
ITEM NUMBER 3

AGENCY: Clemson University

SUBJECT: Not Exceeding \$10,000,000 General Obligation State Institution Bonds, Series 2014, Issued on behalf of Clemson University

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$10,000,000 General Obligation State Institution Bonds, Series 2014, issued on behalf of Clemson University.

The proceeds from the sale of the bonds will be used, in part, to plan, develop, and construct an expansion to Freeman Hall on its main campus in Clemson in order to provide additional classroom and office space for the Industrial Engineering Department and to enhance accessibility and site infrastructure (to include chill water and steam, among other systems).

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale not exceeding \$10,000,000 General Obligation State Institution Bonds, Series 2014, issued on behalf of Clemson University.

ATTACHMENTS:

Pope 2/10/14 letter; Resolution



POPE ZEIGLER
LAW FIRM
COLUMBIA | CHARLOTTE

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February 10, 2014

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

VIA HAND DELIVERY

Re: Not exceeding \$10,000,000 General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2014 of the State of South Carolina (the "Bonds")

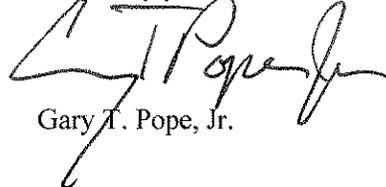
Dear Delbert:

On behalf of Clemson University, in connection with the issuance of the Bonds and in anticipation of the meeting of the South Carolina Budget and Control Board scheduled for February 26, 2014, we respectfully enclose the following for consideration:

1. An executed copy of a resolution adopted by the Board of Trustees of Clemson University on October 18, 2013 requesting the issuance of the Bonds; and
2. A copy of the Budget and Control Board's resolution regarding the issuance of the Bonds.

An electronic version of Item 2 listed above will be sent to you in Microsoft Word format so that you may revise it as necessary. Please let us know if you need anything further or if you have any questions or concerns.

Very truly yours,



Gary T. Pope, Jr.

Enclosures

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

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING TEN MILLION DOLLARS (\$10,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), 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 February 26, 2014

TABLE OF CONTENTS

ARTICLE I
FINDINGS OF FACT

Section 1.01. General Findings of Authorization.....1
Section 1.02. Findings Required by the Enabling Act.....2
Section 1.03. Determination of Compliance with Debt Limitation.....2
Section 1.04. Determination of Amount of Bonds Herein Authorized.....3

ARTICLE II
DEFINITIONS AND CONSTRUCTION

Section 2.01. Definitions4
Section 2.02. Construction.....6

ARTICLE III
ISSUANCE OF BONDS

Section 3.01. Direction to Governor and State Treasurer.....7
Section 3.02. Ordering the Issuance of Bonds; Principal Amount.....7
Section 3.03. Maturity Schedule of Bonds7
Section 3.04. Provision for Payment of Interest on the Bonds7
Section 3.05. Medium of Payment; Form and Denomination of Bonds;
Place of Payment of Principal.....7
Section 3.06. Agreement to Maintain Registrar and Paying Agent.....8
Section 3.07. Execution and Authentication8
Section 3.08. Exchange of Bonds.....8
Section 3.09. Transferability and Registry8
Section 3.10. Transfer of Bonds.....9
Section 3.11. Regulations with Respect to Exchanges and Transfers9
Section 3.12. Mutilated, Destroyed, Lost, and Stolen Bonds9
Section 3.13. Holder as Owner of Bond10
Section 3.14. Cancellation of Bonds10
Section 3.15. Payments Due on Saturdays, Sundays, and Holidays.....10
Section 3.16. Conditions Relating to Naming of Interest Rates10
Section 3.17. Tax Exemption in South Carolina.....11
Section 3.18. Pledge of Full Faith, Credit and Taxing Power11
Section 3.19. Tuition Fee Deposits11
Section 3.20. Bonds Issued in Book-Entry Only Form11
Section 3.21. Form of Bonds13
Section 3.22. Borrowing in Anticipation of Issuance of Bonds.....13

ARTICLE IV
REDEMPTION OR PURCHASE OF BONDS

Section 4.01. Authorization of Redemption.....15
Section 4.02. State's Election to Redeem15
Section 4.03. Notice of Redemption.....15
Section 4.04. Selection by Registrar of Bonds to be Redeemed16
Section 4.05. Deposit of Redemption Price16

Section 4.06.	Partial Redemption of Bonds	16
Section 4.07.	Purchases of Bonds Outstanding.....	16

ARTICLE V
SALE OF BONDS

Section 5.01.	Determination of Time to Receive Bids; Form of Notice of Sale.....	17
Section 5.02.	Award of Bonds	17
Section 5.03.	Official Statement	17
Section 5.04.	Combined Sales.....	18

ARTICLE VI
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01.	Disposition of Bond Proceeds Including Temporary Investments.....	19
---------------	---	----

ARTICLE VII
DEFEASANCE OF BONDS

Section 7.01.	Discharge of Resolution; Where and How Bonds Are Deemed to Have Been Paid and Defeased	20
Section 7.02.	Notice of Defeasance.....	21

ARTICLE VIII
CONCERNING THE FIDUCIARIES

Section 8.01.	Fiduciaries; Appointment and Acceptance of Duties	22
Section 8.02.	Responsibilities of Fiduciaries.....	22
Section 8.03.	Evidence on Which Fiduciaries May Act.....	22
Section 8.04.	Compensation.....	23
Section 8.05.	Certain Permitted Acts	23
Section 8.06.	Resignation of Any Fiduciary	23
Section 8.07.	Removal of Fiduciary	23
Section 8.08.	Appointment of Successor Fiduciaries	23
Section 8.09.	Transfer of Rights and Property to Successor.....	24
Section 8.10.	Merger or Consolidation.....	24
Section 8.11.	Adoption of Authentication	24

ARTICLE IX
FEDERAL TAX CONSIDERATIONS

Section 9.01.	Compliance with the Code.....	25
Section 9.02.	Tax Representations and Covenants.....	25
Section 9.03.	Arbitrage Bonds	26
Section 9.04.	Taxable Series and Taxable BANs; Inapplicability of this Article.....	26

ARTICLE X
MISCELLANEOUS

Section 10.01.	Failure to Present Bonds.....	27
Section 10.02.	Severability of Invalid Provisions.....	27
Section 10.03.	Resolution to Constitute Contract	27

Section 10.04. Execution of Closing Documents and Certificates.....27
Section 10.05. Filing of Copies of Resolution.....28
Section 10.06. Benefits of Resolution Limited to the State and Holders of the Bonds.....28
Section 10.07. No Personal Liability.....28
Section 10.08. Continuing Disclosure.....28
Section 10.09. Law and Place of Enforcement of the Resolution.....29
Section 10.10. Effect of Article and Section Headings and Table of Contents.....29
Section 10.11. Repeal of Inconsistent Resolutions.....29
Section 10.12. Effectiveness of this Resolution.....29

EXHIBIT A Debt Service Requirements on all State Institution Bonds Issued by the State of South Carolina on Behalf of Clemson University

EXHIBIT B Schedule of Tuition Fees

EXHIBIT C Pro Forma Debt Service Requirements of Not Exceeding \$10,000,000 State of South Carolina General Obligation State Institution Bonds, at Prevailing Rates of Interest

EXHIBIT D Schedule Showing Pro Forma Total Principal and Interest Requirements of All General Obligation State Institution Bonds Issued by the State of South Carolina on Behalf of Clemson University Including the Proposed Issue of \$10,000,000 of General Obligation State Institution Bonds, at Prevailing Rates of Interest

EXHIBIT E Proof Showing Compliance with Enabling Act

EXHIBIT F Form of Proposed Bonds

EXHIBIT G Form of Official Notice of Sale

EXHIBIT H Form of Continuing Disclosure Undertaking

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING TEN MILLION DOLLARS (\$10,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), 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 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 59, Chapter 107 of the Code of Laws of South Carolina, 1976, as amended (the "Enabling Act") to make provision for the issuance of General Obligation State Institution Bonds ("State Institution Bonds") on behalf of state institutions (the "Institutions") of the State of South Carolina (the "State"), including Clemson University (the "University"), the proceeds of which may be used for any one or more of the following purposes:

- (i) to construct, reconstruct, maintain, improve, furnish and refurnish the buildings and other permanent improvements for the Institutions,
- (ii) to defray the costs of acquiring or improving land needed as sites for such improvements or for the campus of any of the Institutions,
- (iii) to reimburse the Institutions for expenses incurred in anticipation of the issuance of State Institution Bonds, or
- (iv) to refund State Institution Bonds heretofore issued for the Institutions and which shall on such occasion be outstanding.

(b) Pursuant to the provisions of a resolution adopted by the Board of Trustees of the University (the "Board of Trustees") on October 18, 2013 (the "Board Resolution"), the Board of Trustees has requested the State Board to authorize the Governor and the State Treasurer (each as defined herein) to issue General Obligation State Institution Bonds pursuant to the Enabling Act in the aggregate principal amount of not exceeding \$10,000,000 to provide funds to: (i) plan, develop, and construct an expansion to Freeman Hall on its main campus in Clemson, South Carolina, in order to provide additional classroom and office space for the Industrial Engineering Department, and to enhance accessibility and site infrastructure (to include chill water and steam, among other systems); (ii) reimburse the University for expenses incurred in anticipation of the issuance of such State Institution Bonds ((i) and (ii), collectively, the "Project"); and (iii) pay for expenses related to the issuance of such State Institution Bonds. Moreover, the Board Resolution constituted the application to the State Board required by Section 59-107-40 of the Enabling Act and the provisions thereof contained all information necessary for the State Board to approve the application and authorize the issuance of such State Institution Bonds.

(c) The State Board has reviewed the Board Resolution and has determined to cause the issuance of not exceeding Ten Million Dollars (\$10,000,000) principal amount General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2014, of the State of South Carolina (the "Bonds"), or one or more BANs in anticipation thereof, for the purposes described in paragraph (b) above.

Section 1.02 Findings Required by the Enabling Act.

The State Board makes the following findings pursuant to Section 59-107-50 of the Enabling Act in connection with the application of the University for issuance of General Obligation State Institution Bonds in the amount of not exceeding \$10,000,000, which sum will be used to pay all or a portion of the costs of the Projects and to pay the costs of issuance of the Bonds.

- (a) That a definite and immediate need for the Project exists;
- (b) There are presently outstanding \$88,420,000 aggregate principal amount State Institution Bonds secured by the Tuition Fees (as hereinafter defined) of the University as set forth in Exhibit A attached hereto;
- (c) A satisfactory and proper schedule of Tuition Fees as set forth in Exhibit B attached hereto is in effect at the University;
- (d) A pro forma debt service table setting forth annual principal and interest requirements of the Bonds based on prevailing rates of interest per annum is set forth on Exhibit C attached hereto. Exhibit D attached hereto sets forth the aggregate debt service requirements of the outstanding State Institution Bonds issued on behalf of the University and the Bonds at prevailing rates of interest. Exhibit E attached hereto shows the sums received by the University as Tuition Fees for the Fiscal Year (as hereinafter defined) ended June 30, 2013, and establishes that, based on prevailing rates of interest per annum on the Bonds, the maximum annual debt service on the outstanding State Institution Bonds issued on behalf of the University and the Bonds will not be greater than 90% of the Tuition Fees received by the University for the Fiscal Year ended June 30, 2013;
- (e) The University has agreed that the schedule of the Tuition Fees for the University shall be revised from time to time and whenever necessary to provide not less than the sum needed to pay the annual principal and interest requirements on the Bonds and on all outstanding State Institution Bonds issued on behalf of the University; and
- (f) The State Board has made the findings required of it by Section 59-107-50 of the Enabling Act, and has accepted the Board Resolution as the application required by Section 59-107-40 of the Enabling Act.

Section 1.03 Determination of Compliance with Debt Limitation.

Section 59-107-90 of the Enabling Act and Section 11-27-30(4) of the South Carolina Code, each provide that the debt limitation applicable to State Institution Bonds is that sum resulting from the provisions of subparagraph (b) of paragraph 6 of Section 13 of Article X of the South Carolina Constitution, which provides that the maximum annual debt service on State Institution Bonds issued for an Institution may not be greater than 90% of the sum of the Tuition Fees received by such Institution for the preceding Fiscal Year. The table set forth in Exhibit E attached hereto demonstrates that the maximum annual debt service on all State Institution Bonds issued on behalf of the University following the issuance of the Bonds will not exceed the proviso contained in the preceding sentence with respect to outstanding State Institution Bonds and the Bonds with interest calculated thereon at prevailing rates of interest. Further, the State Board finds that the total aggregate principal amount of State Institution Bonds

issued on behalf of the University to be outstanding, following the issuance of the Bonds at prevailing rates of interest authorized by the provisions of this Resolution, will not exceed \$98,420,000.*

Section 1.04 Determination of Amount of Bonds Herein Authorized.

The State Board finds that it is necessary to issue the Bonds in the aggregate principal amount of not exceeding \$10,000,000 or one or more BANs (as defined herein) in anticipation thereof, in order to provide funds which will be used to pay all or a portion of the costs of the Projects, to pay the principal of and interest on the BANs, if any, and to pay the costs of issuance of such BANs or the Bonds.

[End of Article I]

* Preliminary, subject to change.

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.

“BAN” or “BANs” means any of the bond anticipation notes issued hereunder and pursuant to the BAN Act.

“BAN Act” means Title 11, Chapter 17 of the Code of Laws of South Carolina, 1976, as amended.

“Bond” or “Bonds” means any of the General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2014, authorized by this Resolution, and also means, if the context so requires, any BAN or BANs issued in anticipation of the issuance of such Bonds.

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

“Enabling Act” means Title 59, Chapter 107 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.

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

- (i) cancelled or delivered to the Registrar for cancellation on or before such date;
- (ii) deemed to have been paid in accordance with the provisions of Section 7.01 hereof; and
- (iii) in lieu of or in exchange for which another Bond or BAN shall have been authenticated and delivered pursuant to Article III 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 or BANs, 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 or BANs and shall effect the exchange and transfer of the Bonds or BANs 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.

“Tuition Fees” means those fees charged by the University for tuition, matriculation and registration. The term does not include sums charged for enrolling in courses or classes offered for any summer school term or any special seminar, nor shall the term relate to or include fees levied or charged for purposes other than for the purposes of the Enabling Act.

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 \$10,000,000 principal amount of General Obligation State Institution Bonds in accordance with the provisions of this Resolution.

Section 3.02 Ordering the Issuance of Bonds; Principal Amount.

Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds to pay all or a portion of the costs of the Project and to pay certain costs of issuance of the Bonds described in Section 1.02 hereof, there shall be issued not exceeding Ten Million Dollars (\$10,000,000) aggregate principal amount of general obligation bonds of the State, designated "General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2014." Notwithstanding the foregoing, however, the State Treasurer may, in his discretion, modify the Series designation of the Bonds herein authorized as appropriate and, in such event, all references to the Bonds herein shall be deemed to reference such modified Series designation. 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. The final principal amount of the Bonds shall be determined by the State Treasurer.

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 aggregate principal amount of Bonds issued hereunder does not exceed \$10,000,000. 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 \$1,000 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 remain Outstanding, there shall be a Registrar and a Paying Agent, 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 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. Bonds bearing the manual or facsimile signature of any Person who shall have held such office at the time such Bonds were so executed shall bind the State notwithstanding the fact that he may have ceased to be such officer prior to the authentication and delivery of such Bonds or was not such 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 E, 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 the 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, and 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, Redemption Price and interest on such Bond and for all other purposes, and payment of the Principal Installment, 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 interest on or Principal Installment or Redemption Price 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 at a price of not less than par, 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 a part of the purchase price;

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 Installments 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.

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 are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged. In accordance with the provisions of Section 11-29-30 of the South Carolina Code, and in order to provide for the punctual payment of the Principal Installments and interest on the Bonds herein authorized, the State Treasurer is directed to set aside from the Tuition Fees received in each Fiscal Year in which the interest on and Principal Installment of the Bonds are due or will become due so much of the revenues derived from such Tuition Fees as may be necessary in order to pay the interest on and the Principal Installment of all Bonds falling due in such Fiscal Year and the State Treasurer shall thereafter apply such moneys to the punctual payment of such principal and interest as the same respectively fall due. In the event that the revenues derived from the Tuition Fees so pledged prove insufficient to meet the payments of the interest on and the Principal Installment of such Bonds in such Fiscal Year, then the State Treasurer is authorized and directed to set aside from the general tax revenues of the State received in such Fiscal Year so much of such general tax revenues as become needed for such purpose and to apply the same to the punctual payment of the interest on and the Principal Installment of such Bonds due or to become due in such Fiscal Year.

In accordance with the provisions of Article X, Section 13, Paragraph 4 of the South Carolina Constitution 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 and interest on the Bonds then due.

Section 3.19 Tuition Fee Deposits.

As provided in Section 59-107-180 of the Enabling Act, the State Treasurer shall establish a special fund into which all Tuition Fees shall be deposited and applied to the payment of principal, interest and premium, if any, on the Bonds. The State Treasurer further shall establish for the Bonds a "special debt service and reserve fund" within this special fund as prescribed by Section 59-107-180 of the Enabling Act. Such special fund and the "special debt service and reserve fund" therein shall be maintained at all times as provided in said Section 59-107-180 of the Enabling Act.

Section 3.20 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 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 3.21 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 3.22 Borrowing in Anticipation of Issuance of Bonds.

Pursuant to the BAN Act, there may be issued from time to time at the discretion of the Governor and the State Treasurer BANs in aggregate principal amount not exceeding \$10,000,000 in anticipation of the issuance of Bonds. If BANs are issued and if, upon the maturity thereof the Governor and the State Treasurer should determine that it would be in the best interest of the State to renew or refund the BANs, they are authorized to renew or refund the BANs from time to time until the Governor and the State Treasurer 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 \$1,000 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 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 (i) 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, or (ii) undertake any obligation to deliver a Continuing Disclosure Undertaking.

(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 VII, 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 until 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 G 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 G 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 H 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.

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

(iii) the remaining proceeds of the Bonds shall be segregated by the State Treasurer for the account of the University and shall be applied to pay the costs of issuance of the Bonds and all or a portion of the costs of the Project or to repay the BANs and the cost of issuance thereof, as applicable.

(b) Pending the use of Bond proceeds as provided in Sections 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 or the BANs.

[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

(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) Subject to the provisions of Section 59-107-200 of the Enabling Act, if applicable, 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 3.20 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.

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 this Article.

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

[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 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, 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.

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 H hereto, together with such modifications and amendments thereto 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 the 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

DEBT SERVICE REQUIREMENTS
ON ALL STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF CLEMSON UNIVERSITY

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
June 30, 2014	\$ 4,680,000.00	\$ 4,175,950.00	\$ 8,855,950.00
June 30, 2015	4,870,000.00	3,986,350.00	8,856,350.00
June 30, 2016	5,100,000.00	3,751,475.00	8,851,475.00
June 30, 2017	5,350,000.00	3,506,825.00	8,856,825.00
June 30, 2018	3,905,000.00	3,252,250.00	7,157,250.00
June 30, 2019	3,555,000.00	3,071,700.00	6,626,700.00
June 30, 2020	6,180,000.00	2,905,200.00	9,085,200.00
June 30, 2021	6,240,000.00	2,608,000.00	8,848,000.00
June 30, 2022	4,295,000.00	2,327,000.00	6,622,000.00
June 30, 2023	4,510,000.00	2,112,250.00	6,622,250.00
June 30, 2024	4,735,000.00	1,886,750.00	6,621,750.00
June 30, 2025	5,000,000.00	1,650,000.00	6,650,000.00
June 30, 2026	5,000,000.00	1,400,000.00	6,400,000.00
June 30, 2027	5,000,000.00	1,193,750.00	6,193,750.00
June 30, 2028	5,000,000.00	975,000.00	5,975,000.00
June 30, 2029	5,000,000.00	750,000.00	5,750,000.00
June 30, 2030	5,000,000.00	500,000.00	5,500,000.00
June 30, 2031	5,000,000.00	250,000.00	5,250,000.00
Total	<u>\$ 88,420,000.00</u>	<u>\$ 40,302,500.00</u>	<u>\$ 128,722,500.00</u>

CLEMSON UNIVERSITY
 SCHEDULE OF TUITION FEES IN EFFECT FOR PURPOSES OF
 SECTION 59-107-10 ET SEQ., CODE OF LAWS OF
 SOUTH CAROLINA, 1976, AS AMENDED

	<u>In-State</u>	<u>Out-of-State</u>
Undergraduate		
Full-Time ¹	\$ 6,115	\$ 14,832
Matriculation ¹	5	5
Part-Time ²	546	1,303
Matriculation ¹	5	5
Graduate		
Full-Time ^{1,3}	3,538	7,457
Matriculation ¹	5	5
Part-Time ^{2,3}	458	920
Matriculation ¹	5	5
Graduate Assistant ¹	769	769
Matriculation ¹	5	5

¹ Per Semester.

² Per Credit Hour.

³ Graduate Tuition is an average of five different tuition fee tiers.

For the fiscal year ended June 30, 2013, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$24,702,263. The tuition and fees generated for the 2013 summer term are not included.

The maximum principal and interest debt service payment prior to the issuance contemplated herein is \$9,085,200, which occurs in the fiscal year ending June 30, 2020.

The maximum principal and interest debt service payment after the issuance contemplated herein is anticipated to be \$9,831,796, which is anticipated to occur in the fiscal year ending June 30, 2020.

EXHIBIT C

CLEMSON UNIVERSITY
 PRO-FORMA DEBT SERVICE REQUIREMENTS OF
 NOT EXCEEDING \$10,000,000 STATE OF SOUTH CAROLINA
 GENERAL OBLIGATION STATE INSTITUTION BONDS,
 AT PREVAILING RATES OF INTEREST

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
June 30, 2015	\$ 385,000.00	\$ 357,957.26	\$ 742,957.26
June 30, 2016	390,000.00	355,339.26	745,339.26
June 30, 2017	395,000.00	351,673.26	746,673.26
June 30, 2018	400,000.00	346,577.76	746,577.76
June 30, 2019	405,000.00	339,897.76	744,897.76
June 30, 2020	415,000.00	331,595.26	746,595.26
June 30, 2021	425,000.00	321,676.76	746,676.76
June 30, 2022	435,000.00	310,074.26	745,074.26
June 30, 2023	450,000.00	296,893.76	746,893.76
June 30, 2024	460,000.00	281,908.76	741,908.76
June 30, 2025	480,000.00	265,348.76	745,348.76
June 30, 2026	500,000.00	246,892.76	746,892.76
June 30, 2027	520,000.00	226,442.76	746,442.76
June 30, 2028	540,000.00	204,342.76	744,342.76
June 30, 2029	565,000.00	180,528.76	745,528.76
June 30, 2030	590,000.00	154,482.26	744,482.26
June 30, 2031	615,000.00	126,929.26	741,929.26
June 30, 2032	645,000.00	97,839.76	742,839.76
June 30, 2033	675,000.00	67,041.00	742,041.00
June 30, 2034	710,000.00	34,506.00	744,506.00
Total	<u>\$ 10,000,000.00</u>	<u>\$ 4,897,948.18</u>	<u>\$ 14,897,948.18</u>

EXHIBIT D

SCHEDULE SHOWING PRO-FORMA TOTAL PRINCIPAL AND INTEREST REQUIREMENTS OF
ALL GENERAL OBLIGATION STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF CLEMSON UNIVERSITY
INCLUDING THE PROPOSED ISSUE OF
TEN MILLION DOLLARS (\$10,000,000)
OF GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
June 30, 2014	\$ 4,680,000.00	\$ 4,175,950.00	\$ 8,855,950.00
June 30, 2015	5,255,000.00	4,344,307.26	9,599,307.26
June 30, 2016	5,490,000.00	4,106,814.26	9,596,814.26
June 30, 2017	5,745,000.00	3,858,498.26	9,603,498.26
June 30, 2018	4,305,000.00	3,598,827.76	7,903,827.76
June 30, 2019	3,960,000.00	3,411,597.76	7,371,597.76
June 30, 2020	6,595,000.00	3,236,795.26	9,831,795.26
June 30, 2021	6,665,000.00	2,929,676.76	9,594,676.76
June 30, 2022	4,730,000.00	2,637,074.26	7,367,074.26
June 30, 2023	4,960,000.00	2,409,143.76	7,369,143.76
June 30, 2024	5,195,000.00	2,168,658.76	7,363,658.76
June 30, 2025	5,480,000.00	1,915,348.76	7,395,348.76
June 30, 2026	5,500,000.00	1,646,892.76	7,146,892.76
June 30, 2027	5,520,000.00	1,420,192.76	6,940,192.76
June 30, 2028	5,540,000.00	1,179,342.76	6,719,342.76
June 30, 2029	5,565,000.00	930,528.76	6,495,528.76
June 30, 2030	5,590,000.00	654,482.26	6,244,482.26
June 30, 2031	5,615,000.00	376,929.26	5,991,929.26
June 30, 2032	645,000.00	97,839.76	742,839.76
June 30, 2033	675,000.00	67,041.00	742,041.00
June 30, 2034	710,000.00	34,506.00	744,506.00
Total	<u>\$ 98,420,000.00</u>	<u>\$ 45,200,448.18</u>	<u>\$ 143,620,448.18</u>

EXHIBIT E

CLEMSON UNIVERSITY
PROOF SHOWING COMPLIANCE WITH
TITLE 59, CHAPTER 107, CODE OF LAWS OF
SOUTH CAROLINA, 1976, AS AMENDED

Aggregate of tuition fees received by the University during preceding fiscal year ended June 30, 2013	\$24,702,263
Multiplied by	90%
Produces	\$22,232,036
Maximum annual debt service on all State Institution Bonds of the University (including the proposed issue of not exceeding Ten Million Dollars (\$10,000,000) General Obligation State Institution Bonds issued on behalf of the University)	<u>\$9,831,796</u>
Margin	\$12,400,240

(FORM OF BOND)
(FACE OF BOND)

UNITED STATES OF AMERICA
GENERAL OBLIGATION STATE INSTITUTION BOND
(ISSUED ON BEHALF OF CLEMSON UNIVERSITY), SERIES 2014
OF THE STATE OF SOUTH CAROLINA

No. R-1

<u>Rate of Interest</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
	___ 1, 20__	___ 1, 20__	

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 _____ million dollars (\$_____,000) of like tenor, except as to registered owner, numbering, rate of interest, redemption provisions, and date of maturity, issued pursuant to and in accordance with the Constitution and Statutes of the State of South Carolina, including, particularly the provisions of Chapter 107, Title 59 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 on _____, 20__.

[Insert Redemption Provisions]

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 State of South Carolina.

So long as Cede & Co., as nominee of The Depository Trust Company ("DTC"), is the Registered Owner of the Bonds, references in this Bond to the Bondholders or Registered Owners 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, 20___. 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 _____, 20___, 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 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 respectively matures, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged.

This Bond and the interest hereon 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 or transfer taxes.

This Bond is issuable only as a fully registered Bond without coupons in denominations of \$1,000 and any whole multiple of \$1,000. 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 and interest rate, 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 hereof and interest due hereon and for all other purposes.

The State shall not be obligated to issue, exchange or transfer this Bond during the 15 days next preceding any Bond Payment Date. 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.

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], as Registrar

By: _____
Authorized Signatory

Date: _____, 20____

(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 alteration.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent 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	UNIF GIFT MIN ACT _____	Custodian _____
TEN ENT --	as tenants by the entireties	(Cust)	(Minor)
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	Under Uniform Gift to Minors Act of the State of _____	

Additional abbreviations may be used though not in the list above.

(FORM OF OFFICIAL NOTICE OF SALE)

OFFICIAL NOTICE OF SALE

\$ _____ *
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF CLEMSON UNIVERSITY),
SERIES _____

(BOOK-ENTRY ONLY)

SEALED BIDS, FACSIMILE BIDS, AND ELECTRONIC BIDS for the purchase of \$ _____ General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2014, of the State of South Carolina (the "Series _____ 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 _____ (South Carolina time) on _____, 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) 849-5023, or munis@ipreo.com.

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 shall be submitted to the State Treasurer at (803) 734-2039 (primary) or (803) 734-2697 (backup). 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).

Nonelectronic sealed bids must be submitted on the Official Bid Form attached hereto, must be enclosed in a sealed envelope and 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 Institution Bonds (Issued on Behalf of Clemson University), Series _____." Such bids are to be publicly opened and read at such time and place on said day.

* Subject to adjustment as set forth herein.

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

<u>_____</u> 1	<u>Principal Amount</u> ¹	<u>_____</u> 1	<u>Principal Amount</u>
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At the sale of the Bonds, the State Treasurer may adjust the principal amount of each Series of 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 the refunding savings objectives, as applicable.

The Series _____ Bonds maturing after _____, _____ are 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 accrued interest to the date fixed for redemption.

The Series _____ Bonds in denominations of more than _____ may be redeemed in one or more multiples of _____ and if less than all of the Series _____ Bonds of a single maturity are to be redeemed, the Series _____ Bonds, to be redeemed shall be determined by lot within such maturity by the Registrar.

The Series _____ Bonds will be dated and bear interest from _____, _____, at a rate or rates to be named by the successful bidder. Interest on the Series _____ Bonds will be payable on _____ 1 and _____ 1 of each year (each, a "Bond Payment Date") commencing _____, _____, at which time interest for _____ () months 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 Series _____ Bonds is expected on or about _____, _____.

The Series _____ Bonds are issued pursuant to the constitution and laws of the State, including Article X, Section 13 of the South Carolina Constitution and Title 59, Chapter 107 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 rate (as defined below) to the State at a price of not less than the par amount of each Series of 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 shall bear the same rate of interest;
 - (b) No rate of interest named shall be more than six (6) 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 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 shall 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.]

[Insert Manner of Interest Determination]

Bids will be accepted or rejected by _____ (South Carolina 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 Series _____ Bonds, nor a bid for purchase at a price less than the par amount of each Series of 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.

Nonelectronic sealed bids, facsimile bids, and electronic bids 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 Series _____ Bonds. The State is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid.

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

The right to reject all bids and to readvertise the Series _____ Bonds for sale is reserved and any bid not conforming to this 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 Notice of Sale. Such changes will be announced on TM3 at www.TM3.com.

The State will furnish, without cost to the successful bidder, typewritten or printed Series _____ Bonds and the opinions of The Honorable Alan Wilson, Attorney General of the State of South Carolina; _____, Bond Counsel with respect to the Series _____ Bonds; and

_____, Special Tax Counsel with respect to the Series _____ Bonds. The opinions of Bond Counsel and Special Tax Counsel will be attached to the back of each of the Series _____ Bonds.

With respect to the Series _____ Bonds, the opinion of Special Tax Counsel will state that (a) interest on the Series _____ Bonds is excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"); and (b) the Series _____ 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 Series _____ Bonds in order that interest on the Series _____ Bonds remains excludable from gross income for federal income tax purposes. Noncompliance may cause interest on the Series _____ Bonds to be included in gross income retroactive to the date of issuance of the Series _____ 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 Series _____ Bonds is issued and, in rendering its opinion, Special Tax 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 Series _____ 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 of the Official Statement, dated _____, related to the Series _____ Bonds;

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

(3) a list of undersold maturities of the Series _____ Bonds, in the event the Purchaser is unable to sell the first 10% of any maturity of the Series _____ 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 Series _____ Bonds are sold at prices or yields at which the successful bidder advised the State that the Series _____ 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 Series _____ Bonds, calculated in accordance with Section 1.148-4 of the United States Treasury

Regulations. The Purchaser will further acknowledge that the information set forth in the Issue Price Certificate will be relied on by the State with respect to certain representations made by the State in its arbitrage and tax compliance certificate and that Special Tax Counsel will rely on the representations contained in the Issue Price Certificate for certain purposes in connection with the issuance of the Series _____ Bonds and its opinion as to the exclusion of the interest on the Series _____ Bonds from gross income for federal income tax purposes, including but not limited to the determination that the Series _____ 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 Series _____ Bonds, but neither the failure to print such numbers on any Series _____ 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 Series _____ Bonds. EACH MATURITY OF THE SERIES _____ BONDS WILL HAVE A SEPARATE CUSIP NUMBER, TO BE PROVIDED BY THE SUCCESSFUL BIDDER.

A Preliminary Official Statement dated _____, _____ with respect to the Series _____ 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 Series _____ 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 Series _____ Bonds will be delivered through the facilities of DTC on or about _____, _____. Prospective purchasers may obtain, in advance of the sale, copies of the bid form and Preliminary Official Statement relating to the Series _____ 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) Rick Harmon, 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 _____, _____

CERTIFICATE AS TO ISSUE PRICE

The undersigned, a duly authorized officer of [Purchaser], as the purchaser (the "Purchaser") of the \$ _____ General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series _____, 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 of the Official Statement, dated _____, _____, 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 _____, _____, 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.]

The Purchaser acknowledges that the information set forth in this Certificate will be relied on by the State of South Carolina (the "State") 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 special tax 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 but not limited to the determination that the Bonds do not constitute "arbitrage bonds" within the meaning of Section 148 of the Code.

Signed this ____ day of _____, _____.

[Purchaser]

By: _____
Name: _____
Title: _____

OFFICIAL BID FORM

\$ _____
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF CLEMSON UNIVERSITY),
SERIES _____

Bids Received Until
_____ (South Carolina time)
_____, _____, _____

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 Proposal, we offer to purchase the \$ _____ General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series _____, of the State of South Carolina (the "Bonds"). We will pay as the purchase price thereof _____ Dollars (\$ _____) for the Bonds, dated _____, _____, maturing as set forth below, and bearing interest, payable on _____ 1 and _____ 1 of each year, beginning _____, _____, at the rates set forth below, together with accrued interest, if any, from _____, _____, to the date of delivery of the Bonds:

_____ 1	<u>Principal Amount</u>	<u>Interest Rate</u>	_____ 1	<u>Principal Amount</u>	<u>Interest Rate</u>
		_____			_____
		_____			_____
		_____			_____
		_____			_____
		_____			_____
		_____			_____
		_____			_____
		_____			_____

The total interest cost, computed from _____ 1, 20____, at the interest rates specified above, is: \$ _____
The premium is: \$ _____
The net interest cost of the Bonds is: \$ _____
The [_____] is: _____%

(The above computations are submitted for information purposes only and are not a part of this Proposal.)

We hereby certify (or declare) that (i) this proposal 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)
(303) 734-2697 (backup)

Submitted by
Company: _____
Contact: _____
Phone: _____
Facsimile: _____
Email: _____

* Subject to adjustment as described in the Official Notice of Sale.

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered this ___ day of _____, 20___, by the State of South Carolina (the “State”) in connection with the issuance of the State’s \$_____ General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2014 (the “Bonds”).

The Bonds are being issued pursuant to a resolution adopted on _____, 20___ (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 United States 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 _____, 20___, 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, 20__, 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, 20__, 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 _____, _____, 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, stating the date it was provided.

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 within the United States of America as promulgated to apply to governmental 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 filed 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 “DESCRIPTION OF BONDS – Constitutional and Statutory Debt Limit” and “TABLE RELATING TO GENERAL OBLIGATION DEBT – Debt Service Requirements of All General Obligation Debt Subject to the Limitation Imposed by Subparagraph (c) of Paragraph 6 of Section 13 of Article X of the South Carolina Constitution”;

(d) Total Outstanding general obligation bonds and maximum annual debt service as set forth in the Official Statement under the heading “TABLE RELATING TO GENERAL OBLIGATION DEBT”; 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;
- (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 recognized 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. 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

By: _____
State Treasurer

Date: _____

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Issuer: The State of South Carolina

Obligations: \$_____ General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2014

Date of
Issuance: _____, 20__

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 10.08(b) of the Resolution adopted on _____, 20__.
The State anticipates that the Annual Report will be filed by_____.

THE STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____

AGENCY: Clemson University

SUBJECT: Not Exceeding \$15,300,000 Aggregate Principal Amount Athletic Facilities Revenue Bonds, Series 2014, Issued on behalf of Clemson University

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$15,300,000 Aggregate Principal Amount Athletic Facilities Revenue Bonds, Series 2014, issued on behalf of Clemson University.

The proceeds from the sale of the bonds will be used for the development, construction, and equipping of additions to Memorial Stadium on the campus of the University, comprising, but not limited to, the third-phase addition to the West Zone Complex; and for the development, construction and equipping of an addition to Doug Kingsmore Baseball Stadium on the campus of the University to provide (i) additional player amenities including, without limitation, locker rooms, a lobby, team areas, training rooms, a players' dining area, meeting space, a gallery, catering kitchen, laundry, coach offices, and a players' lounge, (ii) a viewing platform, and (iii) additional spectator seating.

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale not exceeding \$15,300,000 Aggregate Principal Amount Athletic Facilities Revenue Bonds, Series 2014, issued on behalf of Clemson University.

ATTACHMENTS:

Pope 2/10/14 letter; Resolution



POPE ZEIGLER
LAW FIRM
COLUMBIA | CHARLOTTE

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February 10, 2014

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

VIA HAND DELIVERY

Re: Not exceeding \$15,300,000 Aggregate Principal Amount Clemson University, South Carolina Athletic Facilities Revenue Bonds, Series 2014 (the "Bonds")

Dear Delbert:

In connection with the issuance of the Bonds and in preparation for the South Carolina Budget and Control Board's meeting scheduled for February 26, 2014, enclosed please find one copy of each of the following items:

1. General Bond Resolution adopted by the Board of Trustees of Clemson University on April 16, 1999;
2. Series Resolution of Clemson University adopted by the Board of Trustees of Clemson University on February 7, 2014 (Kingsmore Stadium Project);
3. Series Resolution of Clemson University adopted by the Board of Trustees of Clemson University on February 7, 2014 (Memorial Stadium Project); and
4. Certificate and related Resolution of the Budget and Control Board scheduled to be considered on February 26, 2014.

We will also be sending you in Microsoft Word format, the electronic version of Item 4 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.

Very truly yours,

Gary T. Pope, Jr.

Enclosures

cc: Steve Crump, Associate Comptroller, Clemson University
F. Richard Harmon, Jr., Senior Assistant State Treasurer

A RESOLUTION

APPROVING THE ISSUANCE AND SALE OF NOT EXCEEDING \$15,300,000 AGGREGATE PRINCIPAL AMOUNT OF ATHLETIC FACILITIES 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 Article 9, Chapter 119 of Title 59 of the Code of Laws of South Carolina, 1976, as amended (the "Enabling Act") to construct and improve certain facilities of the University designated by the Board of Trustees as intercollegiate athletic facilities (the "Athletic Facilities") and to issue bonds payable from certain revenues of the Athletic Department of the University (the "Athletic Department") in order to finance such construction and improvement (the "Athletic Facilities Revenue Bonds"). The Board of Trustees is authorized by the Enabling Act to further secure such bonds of the University payable from certain revenues of the Athletic Department by the pledge of the receipts of (i) such admissions fees as may be imposed by the Board of Trustees upon persons admitted to any event held at any of the Athletic Facilities for the purpose of providing assistance in the repayment of bonds and (ii) such special student fees as may be imposed by the Board of Trustees upon persons in attendance at any academic session of the University.

(b) On April 16, 1999, the Board of Trustees adopted a resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATED THERETO" (the "Bond Resolution"), as a means of providing for the issuance from time to time of Athletic Facilities 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) \$13,800,000 of the originally issued \$15,000,000 Athletic Facilities Revenue Bonds, Series 2005 of Clemson University, South Carolina; and (b) \$10,350,000 of the originally issued \$12,335,000 Athletic Facilities 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 ATHLETIC FACILITIES REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, TO BE DESIGNATED SERIES 2014 IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING EIGHT MILLION THREE HUNDRED THOUSAND DOLLARS (\$8,300,000), AND OTHER MATTERS

RELATING THERETO” (the “Memorial Stadium Series Resolution”) authorizing the issuance of Athletic Facilities Revenue Bonds, Series 2014 (the “Series 2014 Memorial Stadium Bonds”) for the purpose of the development, construction and equipping of additions to Memorial Stadium on the campus of the University, comprising, but not limited to, the third-phase addition to the WestZone Complex (to include what are commonly referred to as the Oculus and Pedestrian Link structures) (the “Memorial Stadium Project”).

(d) 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 ATHLETIC FACILITIES REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, TO BE DESIGNATED SERIES 2014 IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING SEVEN MILLION (\$7,000,000), AND OTHER MATTERS RELATING THERETO” (the “Kingsmore Stadium Series Resolution,” and together with the Memorial Stadium Series Resolution, the “2014 Series Resolutions”) authorizing the issuance of Athletic Facilities Revenue Bonds, Series 2014 (the “Series 2014 Kingsmore Stadium Bonds,” and together with the Series 2014 Memorial Stadium Bonds, the “Series 2014 Bonds”) for the purpose of the development, construction and equipping of an addition to Doug Kingsmore Baseball Stadium on the Campus of the University to provide (i) additional player amenities including, without limitation, locker rooms, a lobby, team areas, training rooms, a players’ dining area, meeting space, a gallery, catering kitchen, laundry, coach offices, and a players’ lounge, (ii) a viewing platform, and (iii) additional spectator seating (the “Kingsmore Stadium Project,” and together with the Memorial Stadium Project, the “Projects”).

(e) The 2014 Series Resolutions 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 Projects; (ii) capitalizing interest during construction, if necessary, (iii) subject to the provisions of Section 6.03 of the 2014 Series Resolutions, providing money to fund the Series 2014 Debt Service Reserve Funds, if any, for the Series 2014 Bonds; and (iv) paying certain costs and expenses relating to the issuance of the Series 2014 Bonds, including municipal bond insurance premiums, if any.

(f) The Board of Trustees has determined that the designing, constructing, and equipping of the Projects 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 defray the costs of the designing, constructing and equipping of the Projects, and other matters related thereto.

Section 1.02

The Bond Resolution and the 2014 Series Resolutions, 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 Resolutions, 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 Resolutions.

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 \$15,300,000 aggregate principal amount Athletic Facilities Revenue Bonds, Series 2014, of the University and to sell the same in the manner and under the conditions prescribed by the 2014 Series Resolutions.

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: February 26, 2014.

STATE BUDGET AND CONTROL BOARD
MEETING OF February 26, 2014

REGULAR SESSION
ITEM NUMBER 5

AGENCY: Budget and Control Board

SUBJECT: Future Meeting

The next regular meeting of the Budget and Control Board will be held at 9:30 a.m. on Wednesday, April 30, 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 9:30 a.m. on Wednesday, April 30, 2014, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: